









# Abused Women: Doctors Urged to Ask Questions

By Shari Rudavsky  
Washington Post Service

WASHINGTON — Domestic violence against women has become so prevalent in the United States that physicians should routinely question their women patients about whether they have been abused, according to new guidelines issued by the American Medical Association.

The announcement coincided with publication of a series of studies on domestic violence in Wednesday's issue of the Journal of the American Medical Association, documenting a widespread increase in abuse of women by their partners.

About one in four women will be attacked by their partners at some point in their lives, and more than 4 million women in the United States are severely assaulted by their husbands or boyfriends during an average 12-

month period, one of the studies reported. Moreover, one in three women who enters an emergency room has been abused, and 23 percent of pregnant women seeking prenatal care have experienced domestic violence, according to M. Roy Schwarz, a senior vice president of the American Medical Association.

Although domestic violence has been a professional concern for decades, the new guidelines, which embody the association's recommendations but are not binding, represent the first nationwide attempt to address the problem.

"After 20 years, we decided it was getting worse and not better," Mr. Schwarz said. "We had to do something about it."

"These guidelines are the state of the art about what every doctor should know about domestic violence," he said.

One of the biggest obstacles to dealing with domestic violence has been physicians' reluctance to address the problem with patients because of feelings of helplessness or fears of "opening a Pandora's box," said Nancy K. Sugg, an assistant professor of medicine at the University of Washington. She co-wrote a study in this week's Journal of the American Medical Association on primary-care physicians' response to domestic violence.

More than half of the 38 primary-care physicians Ms. Sugg interviewed reported that fear of offending the patient prevented them from asking questions that might lead to revelations of abuse. Many others said they did not ask such questions because there was little they could do for patients who answered in the affirmative.

The new guidelines advise doctors to question women routinely about domestic violence because it has become so common.

Physicians should ask women whether their partners have ever physically attacked them or threatened to do so, forced them to have sex or restricted their freedom of movement.

Moreover, if women delay seeking care for injuries or give unlikely stories for how they sustained an injury, doctors should consider the possibility of domestic abuse regardless of "racial, ethnic, religious, educational and socioeconomic lines," the guidelines said.

When a woman admits she has been battered, the physician should discuss her safety before she leaves the office and offer her written information on legal options, counseling, shelters, crisis intervention programs and community services, the guidelines recommend.



Caspar W. Weinberger, left, leaving a news conference with his attorney, Robert Bennett.

## Weinberger and Those Notes

### Credibility in Iran-Contra Denials Challenged Anew

By Joel Brinkley  
New York Times Service

WASHINGTON — From the moment the Iran-Contra scandal broke into the open in November 1986, Defense Secretary Caspar W. Weinberger sought to make it painstakingly clear that he had despised the whole affair from the very beginning — and then found out too late that it had been carried out behind his back.

In testimony and published accounts, he insisted repeatedly that he had argued against the sale of weapons to Iran, believed he had managed to kill the program before it began and was surprised to learn by reading intelligence reports later that the program had not died but had instead blossomed into a major force without his knowledge.

While House officials had deliberately cut him off "the distribution list" for intelligence reports about the program, he said in testimony to committees investigating the Iran-Contra affair in the summer of 1987.

And when the United States sent Hawk missiles to Israel for delivery to Iran in November 1985, he was not informed. This is part of the testimony that is behind his troubles now, as prosecutors suggest that his diaries tell a different story.

Mr. Weinberger was indicted Tuesday on charges that he had lied repeatedly about his knowledge of the Iran-Contra affair and had obstructed investigators by concealing existence of notes he took at crucial points during the scandal.

One intelligence report on the arms sales to Iran was erroneously routed to him after the pro-

gram was well along. Mr. Weinberger testified in 1987. And when he read the document he was dismayed because, he said, "I believed this baby had been strangled in the cradle."

After all, he had told President Ronald Reagan when the option was first discussed in 1985 that, in his view, the idea of selling arms to Iran was "too absurd to comment on."

This image — of an ardent opponent who was pushed out of the information and decision-making "loop" — stuck to Mr. Weinberger throughout the months of testimony and disclosure in 1986 and 1987.

Mr. Weinberger, like Secretary of State George P. Shultz, was portrayed as standing off to the side, shaking his head in dismay over the folly of his colleagues.

Still, even then there were nagging doubts among investigators. The commission headed by John G. Tower, which Mr. Reagan established to examine the arms sales to Iran and the diversion of funds to Nicaraguan rebels, suggested in its February 1987 report that Mr. Weinberger had simply turned a blind eye because he had not wanted to get involved.

Speaking of Mr. Weinberger and Mr. Shultz, the commission said: "They simply distanced themselves from the program. They protected the record as to their own positions on this issue. They were not energetic in attempting to protect the president from the consequences of his personal commitment to freeing the hostages."

The Tower Commission, which included former Secretary of State Edmund S. Muskie and

Brent Scowcroft, national security adviser under President Gerald R. Ford, and George Bush, never explicitly stated that Mr. Weinberger had known about the program as it was going along.

But the defense secretary immediately disputed even the commission's limited conclusion, as did Mr. Shultz.

And in the televised congressional hearings on the Iran-Contra affair that summer, most committee members seemed willing to accept Mr. Weinberger's account, in part because at that time they had no way to demonstrate anything else.

During private interviews a few weeks before the public hearings in 1987, investigators had asked Mr. Weinberger if he had kept notes or a diary from that period.

He answered this way: "Occasionally but relatively rarely. My handwriting is notoriously bad. I have trouble reading it myself. Occasionally take a few notes, but not really very often."

That testimony is quoted in his indictment. Prosecutors who have gained possession of his diaries say they show he was lying. Without saying so explicitly, the indictment suggests that, while Mr. Weinberger voiced opposition to the policy, he had been kept informed as it developed in 1985.

His congressional testimony about the report he inadvertently received in 1987 offered a different picture. Asked if he had been surprised to receive an intelligence report that seemed to indicate American officials were negotiating about weapons with Iranians, he replied: "Indeed I was, yes."

## Navy Chief Gives More Details on Sex Assaults

By Eric Schmitt  
New York Times Service

WASHINGTON — Secretary of the Navy H. Lawrence Garrett 3d has provided new details of his actions at a convention of naval aviators last year in Las Vegas, where 26 women say they were assaulted.

The more detailed description, relayed by a spokesman, came on Tuesday after the navy made public new investigatory reports that had been omitted from a report in April. These reports quoted a Marine captain as saying that Mr. Garrett "came by" one of the hotel suites where squadrons were holding parties featuring pornographic movies, strippers and free beer.

While asserting again that he had no knowledge of any wrongdoing at the convention and saw nothing offensive, Mr. Garrett said that he went to the entrance in one of the suites to get a can of beer. In previous statements, he had said that he was on an outdoor patio and was not aware of any assaults until weeks later.

Exactly where Mr. Garrett and senior navy officers were at the convention, and what they saw, is significant because investigators said that the lewd and rowdy behavior on the third floor was well-known among coconventioners.

When Mr. Garrett became navy secretary in 1989, he proclaimed a ban on lewd behavior and sexual harassment, issuing a "zero-tolerance" policy.

The behavior of officers at the Las Vegas event has led to a far-reaching navy investigation, reassignment of an admiral and a new training program for all personnel. Although the Naval Investigative Service issued a 2,000-page report on April 29, the 55 pages that included the interview with the Marine captain and the only mention of Mr. Garrett were not made public until Tuesday. Mr. Garrett said he had asked the Pentagon to investigate why the 55 pages were omitted from the earlier report.

The navy said the documents were a "supplemental report" that Mr. Garrett was made aware of on June 10. Because of the delay in receiving the additional documents and having his own name show up in one, Mr. Garrett requested that the Pentagon inquiry avoid "any appearance of conflict of interest," navy officials said.

The women who said they were assaulted, including 14 officers, said they were mauled and man-handled in the third-floor hallway of the Las Vegas Hilton.

## For Female Hotel Guests, Safety First

By Edwin McDowell  
New York Times Service

NEW YORK — When Connie Come Walters checks into a hotel, she carries a doorknob and makes sure the room has a dead bolt. Like many other women, Ms. Walters, a Northwest Airlines flight attendant, will not stay in a room on the ground floor.

And when her room-service order arrives, before opening the door she asks that the receipt be slid under it.

"It's not enough to open the door just because you see a man in a white coat outside the door," she said.

Almost 40 percent of all business travelers now are women, according to the nonprofit U.S. Travel Data Center. While conditions have improved for unaccompanied female travelers in recent years, concerns about safety and security remain.

Melissa Widerkehr, a conference and meeting planner in Washington, refuses to check into a room unless escorted by a porter. "You never know who or what may be there," she said.

Northwest's female flight attendants are

routinely accompanied to their rooms by male colleagues, who check inside the closets, under the beds and behind the shower curtains.

While hotel officials say such "security sweeps" are increasingly common, Northwest flight crews are especially sensitive to safety issues because of the killing last year of Nancy Ludwig, a Northwest flight attendant and stepmother of six daughters. She was bound, gagged and raped before her throat was cut. The killer was apparently lurking in a stairway and followed her into her room at the Airport Hilton in Romulus, Michigan.

Many women have not forgotten an article in The Wall Street Journal last summer about the high crime rate at some inexpensive hotels and the concerns about whether the locks, lights, security guards and key-control systems at these establishments were effective.

Many female travelers think that much more should be done. "There should be more security personnel in the halls to ask to see your room key or to make sure you're registered there," said Ms. Walters of Northwest Airlines. "It'd also like to see more security at outside entrances, and

not just after 10 o'clock at night."

But in many respects, traveling is easier today for women.

At Loews L'Enfant Plaza in Washington, for example, unaccompanied female guests are escorted to the hotel's parking garage. At 150 Radisson Hotels, where the proportion of female guests has soared to 44 percent from less than 30 percent eight years ago, rooms and cocktail lounges were given a brighter decor to do away with the traditional dark "men's club" atmosphere and make them more inviting to women.

In varying degrees, airports, restaurants and airlines are also trying to help women who travel.

Airplanes usually offer few extra amenities beyond those that come with a first-class or business-class ticket. But lavatories on all 75 Northwest Airlines wide-body jets will be revamped beginning this summer to include bassinets, which will make it easier for parents to change their babies' diapers.

A growing number of airports, including those in Boston, Denver and Pittsburgh, have areas where children can play and parents can change infants during delays or layovers.

## Clinton Is a Hypocrite, Rap Artist Says

By Sheila Rule  
New York Times Service

NEW YORK — Responding to criticism by Governor Bill Clinton that remarks she made in a newspaper interview were hate-filled and divisive, the rap artist Sister Souljah has characterized the Arkansas governor as a hypocrite and called his remarks "a poor excuse for an agenda-less candidate."

"Sister Souljah was used as a vehicle, like Willie Horton and various other black victims of racism," she said at a news conference. She was referring to the furloughed rapist whose image in 1988 Republi-

can campaign advertisements became a racially charged issue.

The news conference was called to respond to remarks made by Mr. Clinton on Saturday at a meeting of the Reverend Jesse L. Jackson's Rainbow Coalition. Mr. Clinton chided Mr. Jackson's group for giving a platform to the rap artist, who was quoted by The Washington Post as saying after the Los Angeles riots, "if black people kill black people every day, why not have a week and kill white people?"

The rap artist, whose real name is Lisa Williams, said the statement in The Post was intended to convey the mind-set of a gang

member who would think nothing of killing blacks or whites.

"When you have young black men who are socially and economically ignored and then they become casual murderers, they don't distinguish between black and white victims," she said in an interview after the news conference on Tuesday.

"So why would white people think they would not become victims of the conditions they created?" she continued. "I was in on my way advocating that people go out and kill anybody, whether white or black. What Clinton did was the equivalent of someone walking into a room on a conversation about to end and then surmising what happened before he got there."

The Post interview, published on May 13, included her response to a question about the views of those who committed the violence.

The Post reporter asked: "But even the people themselves who were perpetrating that violence, did they think it was wise? Was that wise, reasoned action?"

Sister Souljah replied: "Yeah, it was wise. I mean, if black people kill black people every day, why not have a week and kill white people? You understand what I'm saying? In other words, white people, this government and that mayor or vice president who are killing someone, why not kill a white person? Do you think that someone better, or above and beyond dying, when they would kill their own kind?"

She said Tuesday that Mr. Clinton "lacks integrity, and paints himself as a staunch patriot, a people's servant, a compassionate liberal, a family man, a pro-woman candidate."

"He lacks integrity in all of those areas," she added.

Asked about the controversy, Mr. Clinton, in Santa Monica, California, said: "A lot of people said to me they agreed with what I said. I did not attack her personally but I pointed out that she has a lot of influence on young people. And I understand how alienated and divided people are, but it's simply wrong to suggest that there are no good white people or that under any circumstances, one people in any way should kill each other just because they are a different race. That's just not right."

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## Ulster Loyalists to Talk to Dublin for First Time Since '73

Special to the Herald Tribune

DUBLIN — The Irish Republic confirmed Wednesday that for the first time since 1973 its representatives will meet Friday with officials of both Catholic and Protestant political parties from Northern Ireland.

The meeting in London is considered significant by the Irish government because Protestant-dominated parties, who insist that the province remain a part of Britain, have agreed to talk to Dublin for the first time since meetings between Irish Republic leaders and moderate unionists at Sunningdale, England, in 1973.

At those meetings, Prime Minister Liam Cosgrave of Ireland and Edward Heath of Britain, with Prime Minister Brian Faulkner, the

moderate unionist leader of Northern Ireland, reached a short-lived agreement on the affairs of Northern Ireland.

The meeting Friday is also considered important because for the first time since Ireland became independent in 1922, hard-line unionists, who did not attend the 1973 talks, have also agreed to meet Irish officials.

A government official said Wednesday that while there were many uncertainties about how well the talks will proceed, the fact that they are being held is a "hopeful development."

On Friday, after the four major northern parties agreed to meet, the Irish foreign minister, David Andrews, said, "We are encouraged by this indication that the political

talks are proceeding on course on the agreed basis. We look forward to our direct participation in the meeting and we are determined to do all in our power to promote a successful outcome to the process, whose objective is to achieve a new beginning for relationships within Northern Ireland."

The British minister for the province, Patrick Mayhew, who has been chairman of the talks, said they were part of a three-phase process that would cover the proposed structure of a new government for Northern Ireland, and other issues.

Britain took direct control of the province in 1972 in an attempt to control the rising violence there.

The talks are part of a major British initiative begun a year ago to seek a peaceful political settlement of the civil war in the north in

which 2,990 people have been killed in 23 years.

In addition to the British and Irish governments, and the three Protestant-dominated parties, the talks will be attended by the predominantly Catholic Social Democratic Labor Party, which is a moderate force that seeks gradually increasing Dublin influence in the North, but not immediate reunification.

The party also denounces the violent campaign of the predominantly Catholic Irish Republican Army, which wants to force Britain out of the province.

The IRA's political wing, Sinn Fein, has been excluded from the talks because it refuses to denounce the IRA violence.

The policy of both Ireland and Britain, fixed in the 1985 Anglo-

Irish Agreement, is that no change will be made in the status of the province without the consent of the majority.

There are 950,000 Protestants and 650,000 Catholics. Irish officials said it had not been decided whether Mr. Andrews, or a lower official, would represent Ireland at the talks; nor who would represent the Democratic Unionist Party, the hard-line group headed by the Reverend Ian Paisley.

The independent chairman of the talks in London is to be Ninian M. Stephen, a former governor general of Australia, whose accomplishments include arranging a peace agreement between hostile groups of aboriginal people in his country.

—JAMES F. CLARITY

## POLITICS: The Current Generation of Young American Voters Is Clearly on the Sidelines

(Continued from page 1)

year of political alienation, they are more pessimistic about the future and more disengaged from politics than any other age group.

"They're tuned out," said Ruy Teixeira, a visiting fellow at the Brookings Institution who is completing a book called "The Disappearing American Voter."

"They aren't interested in government and don't think government and politics have much to do with their lives."

When a dozen men and women between ages 18 and 24 were assembled by The Washington Post in California's capital — the state has traditionally defined youth culture — that conclusion was borne out.

In two hours of discussion about their generation and the political process, they spoke passionately about problems and the fear of facing a future of diminished opportunities.

When the subject turned to politics, the

conversation faltered, their mood turned cynical.

They hold politicians in contempt. They have little or no connection to political parties. They are not excited by Mr. Clinton or President George Bush. Unlike many older Americans, they are not swept up by Ross Perot.

"I think it's so much easier to accept the fact that nothing is going to change rather than to think, try to think optimistically that by voting something is going to change," said David Davis, 22, a voter and recent graduate of Morehouse College.

For Sheri Bounds, politics has nothing to do with her life. She described herself, somewhat apologetically, as self-centered.

"I've been thinking about me, my schooling, my friends, my work," she said. Karle Bjerkie, 20, a student at the University of California at Davis, argued that perhaps it was good that many young people did not vote.

"This is a time of change," he said. "You

are finding a career, you are doing a lot of other things. I think once you get older, yes, it's your duty to vote, but once you get 18, we're out all ready to vote."

They get almost all their political information from television, they said.

"I had a government class," Mrs. Berger said. "I learned a little about the political system but nothing about how I should look at politics or that I could make a difference if I voted."

A handful of issues touch the members of this generation:

- The cost and quality of education.
- The global environment.
- Abortion.
- The economy. The young adults in Sacramento echoed the anxiety of a generation seeing a diminished future for themselves and the country.

A recent Washington Post-ABC News survey found that 7 in 10 young adults believed

that the United States had its best years behind it.

Part of the pessimism comes from the lack of jobs awaiting college graduates.

"I have some friends who have graduated with wonderful degrees in computer science and law, and there are no jobs out there," said Eleanor Alvarez, 24, a state employee and part-time student. "They're graduating, they put years in school, they got the education. Where are the jobs?"

Members of the group said they had seen Act to education slashed radically in recent years.

When asked for impressions of government or politics or Congress, their reactions were sharply negative.

They associated politicians with words such as crooks, corruption, liars and brainwashers. They associated Congress with confusion and people who are overpaid.



INTERNATIONAL Herald Tribune

Yeltsin Rings a New Tone

Boris Yeltsin's trip to Washington comes decked in a series of stunning revelations that are bound to have a lasting effect on the tone of Russian-American relations...

Societism in 1979, when hundreds were killed in an anthrax epidemic that Moscow falsely attributed to naturally tainted meat...

The IMF Is Overdoing It

As Boris Yeltsin and George Bush have discovered, it takes courage and resolve to make arms control work. It will require a similar level of faith to help Russia move to a free economy...

The Russians are similarly upset about two more IMF conditions: overly strict targets for the deficit, and restrictive access to a fund set up to stabilize the value of the ruble...

Find a Cure for Gunfire

The blood on the streets of Washington every night is evidence enough of what some of America's top medical experts are now concluding: that gun violence in the country has become a public health emergency...

Let the shouting begin, then, against a health menace that can be curbed dramatically if only lawmakers stopped quaking at the sight of National Rifle Association lobbyists...

Other Comment

Protest in South Africa

The negotiations over the "new South Africa" promised by President Frederik de Klerk are not really moving ahead...

The Role of Monarchy

Inevitably the shabby standards of the London newspapers in reporting the royal family have directed public attention to the performance of the press and there have even been mutterings of legislative measures to ensure fair reporting...

Human Rights in China: A Case History, Unfinished

By Hou Xiaotian

The writer, who wants to visit the United States to campaign for the release of her husband, Wang Juntao, is being denied a passport by the Chinese authorities.

BEIJING — Under mounting pressure, China's government in the last year has grudgingly improved a deplorable human rights record...

The Beijing government has made progress, but the next step will be more difficult.

is no longer locked in solitary confinement in a horrible cell in Beijing No. 2 Prison.

Let me tell you about my husband, Wang Juntao. He is 33 years old, and these days he is always in my heart — but never in my arms...

On June 4, 1989, I broke the story of Juntao's prison life to the foreign media. The story made waves, but to everybody's amazement not one leader came forward to do anything...

On Aug. 14, the last bit of waiting for benevolence ran out and Wang Juntao and Chen Ziming began a hunger strike. International opinion was aroused. The foreign media reported the event. Some countries sent human rights delegations for negotiations...

At the time they made those concessions, the authorities knew that the U.S. Congress was debating the extension of most-favored-nation treatment for China. If Beijing had continued mistreating Juntao and the others, it might have affected the outcome...

Even though my husband's situation has improved somewhat, the world has not forgotten China's human rights record. Almost every foreign government delegation brings up the subject, and almost every Chinese leader visiting abroad encounters it...

Major progress is reflected in the government's behavior. Beijing openly receives foreigners who are studying the human rights situation, and they travel around the country...

I hope friends inside and outside China will help apply this pressure. Then maybe Juntao can again be in my arms, as well as in my heart.

Yugoslavia: Again, Bush Should Have Charted a Middle Course

By Jim Hoagland

WASHINGTON — America led the way in reversing Iraq's aggression in Kuwait. America stands aside and tolerates the murderous Serbian rampage in ex-Yugoslavia...

By the multiple Yugoslav wars, the Bush Doctrine, Yugoslavia is too hard. The United States would have to be prepared for years of involvement...

But that begs the larger questions that he and others have raised by invoking a new world order or a bipolar era, based on America's power, sense of justice and vision...

Before Any Intervention, Clarify the Political Goal

By William Pfaff

PARIS — The struggle to obtain a cease-fire in Sarajevo has made people both in Washington and in the European capitals think seriously about military intervention in Yugoslavia...

but the military uncertainties remain very great, and the question of the political purpose of such an intervention remains unanswered. Presumably the rationale of any intervention is to produce a political settlement of the Yugoslav war...

A more modest and attainable objective of international intervention is the one implicit in what both the European Community and the United Nations have already done...



Asians Wonder If Peace Will Be Kept

By Donald Kirk

SEOUL — The letters FKO, for Peace-Keeping Organization, leapt out of the headlines as South Korean papers, otherwise written in Hangul or Chinese characters, announced this week that the Japanese parliament had approved the dispatch of Japanese troops abroad for the first time since World War II...

While the Japanese may have proven superior economically, China remains the origin of much of Japan's writing, religion and culture. Japanese troops may have raped Nanjing and ruled much of northern China from the 1930s to the end of the war...

The view from Taiwan is different. The Japanese were not loved during their 50-year rule. But they formed comfortable relationships with Taiwan businessmen that have endured. The Taiwan response is complicated by a rift between the indigenous Chinese and those who fled to the island during the Communist takeover of the mainland in 1949...

East Asians See Cause for Real Fear

THE PASSING of a rather modest bill allowing Japan to send troops on overseas duty is being received with misgivings in much of East Asia. On the face of it, there should be little to worry about. What threat could come from 2,000 armed personnel, presumably lacking any substantial amount of modern hardware?

The writer, who is preparing a book about Korean business, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Ado Over Dogs

PARIS — Here and there in Paris yesterday [June 17] the execution of the police decree regarding the roundup of unmuzzled dogs provoked several disturbances. An actress who attempted to rescue a captured canine was taken up for interference, and as she would not go quietly to the station she was carried there kicking, struggling and screaming. The crowd booed the police, but in the name of humane treatment severely attacked an officer who treated a canine prisoner brutally.

1942: A U.S. Air Victory

AN AMERICAN BOMBER BASE IN THE WESTERN DESERT. Libya — [From our New York edition:] United States Army Air Corps officers here today [June 17] in vivid detail of their first action in the Mediterranean theater of war. They bombed an Italian fleet, saw their bombs hit two battleships and a heavy cruiser and learned that as a result of their raid, the large enemy naval force turned back without attacking a vital British convoy headed for Malta. The American bombers scored thirty-five direct bomb hits on the two battleships, and the squadron commander said, "It was like shooting fish in a barrel."

1917: Greece Steps Down

ROME — King Constantine abdicated on the 46th anniversary, to the very day, of his predecessor and namesake's defeat under the walls of Constantinople, that city having been captured by the Turks on June 11, 1453. The late King and Queen Greece and members of their family arrived at Messina at 8:45 today

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Without T... Won't Bal... Hong Kong... China to East... Threaten...



OPINION

Without Term Limits They Won't Balance the Budget

By George F. Will

WASHINGTON—The specter of a constitutional amendment requiring balanced budgets no longer haunts Washington. The amendment has been defeated; the status quo is safe.

No tax increase of any size—not one nickel—until term limitation has ended the careerism that depends on deficit spending.

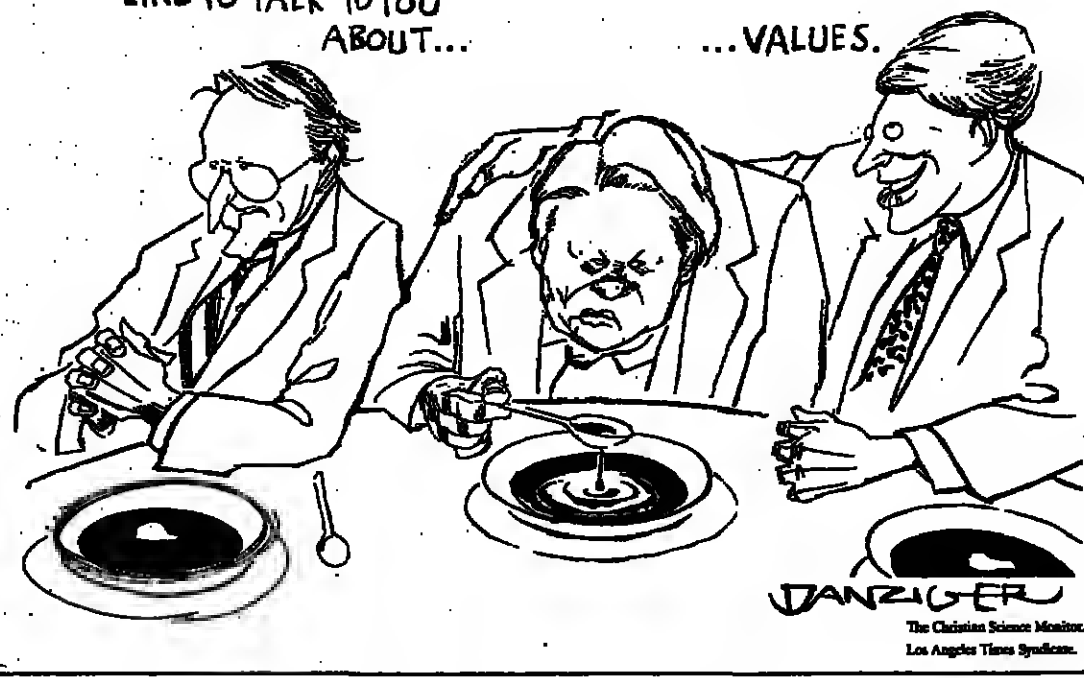
A balanced budget amendment would be much less necessary if Congress's culture of spending were changed by term limits, which would change the motives and behavior of legislators.

Many congressional candidates— aspiring careerists now clawing their way toward Congress—are courting voters by endorsing term limits. But if they get to Washington and are asked to help to try the amendment from the grip of the Judiciary Committee (a discharge petition requires 218 signatures), many of them probably will do what the dirty dozen co-sponsors of the balanced budget amendment did: They will say they were just kidding.

The Washington Post and The New York Times and other thunderers against the balanced budget amendment deplore the fact that the public's strongest political passion is xenophobia. But that passion is the public's judgment on the competence and motives of the careerists who dominate Congress and whose purpose for misallocating resources is re-election.

There are sensible people who think that government revenues should be a larger portion of GNP, and sensible people who say that they should be less; and sensible people who think that the current portion is about right. But no sensible person defends the pattern of current spending, which is a result of re-election rationales. Either to I have said that government needs more revenues. Now my position is: No tax increase of any sort, or any size, for any purpose—not one nickel—until term limitation has ended the careerism that depends on deficit spending.

UM... ABOUT THE 24 BILLION, BORIS... FIRST DAN WOULD LIKE TO TALK TO YOU ABOUT... VALUES.



LETTERS TO THE EDITOR

Crimes Against Humanity

On the basis of the remarkable reporting by John Burns and others, testimony provided by the "Burn it all" recording of General Ratko Mladic's voice ("Ignoring the Serbian Gunners Disgraces America," Opinion, June 15, by Anthony Lewis) and the casualty figures themselves, surely it would be in order for an international court, under the auspices of the United Nations, to start proceedings against General Mladic (and others) for "crimes against humanity"—namely the genocide of the people of Sarajevo.

Some, Surely Not All

Regarding "A Serbian Protest" (Letters, May 27) by Kommen Becirovic: Readers are told that "Serbs fought alongside the Allies against the Germans and the Croats, Muslims and Albanians, who were their allies" (italics mine). In truth, some Albanians, some Bosnians, some Croats and of course some Serbs fought valiantly against the Germans. It would also be accurate to say that at the same time some Albanians, some Bosnians, some Croats and some Serbs fought one another for ethnic or ideological motives. There was not one single war, but several—while the majority of the people suffered from all of them.

Being Left Behind

Regarding "For Now, America's Urban Poor Need to Be Told to Find Work" (Opinion, May 20) by Lawrence Mead: Mr. Mead claims that providing education, training, jobs, health care and child care cannot "emancipate poor individuals and families from the personal problems of early pregnancy, crime and school failure." This is blurred logic. The provision of health and sex education, affordable contraceptives, and abortion counseling and services certainly would help poor young women to avoid early pregnancy.

Before the Battle of Midway

Regarding "1,046 Bombers but Cologne Lives" (Meamohle, June 2): Max G. Tretaway does not mention that between 1927 and 1933 U.S. Marines in the forests and hills of Nicaragua developed dive-bombing techniques that got the better of the Japanese fleet in World War II. As in the case of Cologne, the Nicaraguan survivors were not coward. Their leader, a certain Augusto Cesar Sandino.

Crimes Against Humanity

No ethnic group had a monopoly on resisting the invaders and none held a monopoly on collaborating with them. Nobody wants to assassinate Serbia, despite Mr. Becirovic's suggestion to the contrary. But nobody in the West or East wants to let the heirs in Belgrade of the League of Communists murder other peoples of the former Yugoslavia, in the process of asserting Serbian hegemony. The era of hegemonies in Europe is gone, even for Russia, which did not commit its forces to maintain its own hegemony over all the lands of the Soviet empire. It is vain to conceive that it would do so in support of Serbian dreams of grandeur.

Crimes Against Humanity

people with less education are systematically being left behind in terms of income and economic power. Mr. Mead's argument boils down to an assertion that America's urban poor, and blacks in particular, are poor because they are lazy. This argument did not hold water in the past; it will not now.

Being Left Behind

Regarding "For Now, America's Urban Poor Need to Be Told to Find Work" (Opinion, May 20) by Lawrence Mead: Mr. Mead claims that providing education, training, jobs, health care and child care cannot "emancipate poor individuals and families from the personal problems of early pregnancy, crime and school failure." This is blurred logic. The provision of health and sex education, affordable contraceptives, and abortion counseling and services certainly would help poor young women to avoid early pregnancy.

Before the Battle of Midway

Regarding "1,046 Bombers but Cologne Lives" (Meamohle, June 2): Max G. Tretaway does not mention that between 1927 and 1933 U.S. Marines in the forests and hills of Nicaragua developed dive-bombing techniques that got the better of the Japanese fleet in World War II. As in the case of Cologne, the Nicaraguan survivors were not coward. Their leader, a certain Augusto Cesar Sandino.

From the Dread M-Word Toward Menopause Chic

By Gail Sheehy

NEW YORK—American men are renowned for their frank speech. Not in my recent travels around the country, I discovered one word that causes them to stutter and stumble and reveal their cultural shibboleths.

MEANWHILE

satisfactory sex with a woman who's gone through menopause? Off-mike, he caught himself. "Listen to me. I asked about his pleasure, not hers."

It is not only men who find that their tongues go numb when they first try to utter the "M" word. Not less dauntless a conversationalist than Oprah Winfrey admitted on camera, "Of all the things that I have talked to people about in my lifetime, this is one thing—in private conversations, on television—I have never discussed with anybody."

A Full Quarter-Century

Now that the International Herald Tribune has commemorated the 25th anniversary of its ownership by The New York Times and The Washington Post, isn't it time to add a "25 Years Ago" paragraph to your "In Our Pages" column? After all, while it seems like only yesterday, 25 years ago was about the time the new New Europe was coming into being.

In a recent Gallup poll of couples who had come out the other side of the menopause passage, 70 percent of both the husbands and wives said that their intimate lives had not been compromised, and a good number reported renewed sexual zest. Many seemed pleasantly surprised.

Mr. Jackson's first caller was his wife. Ignoring the sexist teaser, she got right to the heart and bone of the matter: How does hormone replacement therapy affect the risks of heart disease and osteoporosis in a menopausal woman?

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GENERAL NEWS

Hong Kong to Resume Forced Returns

Compiled by Our Staff From Dispatches HONG KONG—Hong Kong will resume forcibly returning refugees to Vietnam on Friday under a new accord with Hanoi allowing the colony to clear its camps, a government spokesman said Wednesday.

small groups, and the program came to a halt in February after only three flights when Hong Kong ran out of Vietnamese to deport.

protests at several camps around the colony. On Friday, the Vietnamese will be taken by ferry from the Green Island camp to Kai Tak airport for the flight home. They are part of a group of 92 moved to Green Island from the Ng Kwi Chan camp late last month. Since then a number of them have volunteered to return home.

ber, just over 3,500 have been classified as genuine refugees, allowing them to settle in the West. More than 23,000 have been denied refugee status, and the rest are awaiting classification.

China to Ease Adoptions by Foreigners

BEIJING—China is streamlining rules to make it easier for foreigners to adopt some of the country's huge number of orphaned and unwanted children, the China Daily said Wednesday.

The official said the revision process had only just started and urged foreigners not to come to China looking for babies yet.

Although foreign adoptions have been allowed, hopeful couples have been left to negotiate their way through China's complex bureaucracy on their own, investing huge amounts of time and money in attempts to get formal approval for adoption.

In some cases, babies are scooped through "back door" routes that include payoffs. Since the new law went into effect in April, China has approved the overseas adoption of 30 children under the age of 14, the China Daily said.

U.S. Threatens India With Aid Cut

NEW DELHI—The United States told India on Wednesday to help stem the spread of nuclear weapons and to clean up its human rights record if it wants continued U.S. aid: a senior Indian official said.

Relations between the two countries have improved steadily over the past three years, but they are still clouded by several irritants, notably by the nuclear issue.

India said Wednesday that it would press ahead with research programs despite new U.S. restrictions on exporting missile technology that it described as "unreasonable pressure."

Anschwitz to Get New Plaques

WARSAW—After more than 40 years of deflecting requests by Jewish groups, the Polish government has agreed to change the wording on stone tablets at Auschwitz and Birkenau, adjacent Nazi camps where more than a million Jews died during World War II.

Clinton on Call-In Program

WASHINGTON—Governor Bill Clinton will appear Thursday night on the CNN talk show "Larry King Live," the U.S. cable television news network announced.

Advertisement for COCCO L'ESPRIT DE CHANEL featuring a woman's portrait and brand name.



# Yeltsin Tonic Injects Some Pep in Bush's Campaign, but How Long Will It Last?

By R. W. Apple Jr.  
New York Times Service

WASHINGTON — On the face of it, the sweeping arms agreement announced by Presidents George Bush and Boris N. Yeltsin seems precisely the kind of political medicine Mr. Bush needs.

It displays him in his role of accomplished international negotiator and peacemaker, which since the Gulf War has been gradually eclipsed in public opinion by concerns about health care, jobs, education, the environment and the credibility of politicians.

Nuclear disarmament — peace — is obviously easier to sell than sluggish economic growth.

The historical record shows, furthermore, that presidents who make major strides toward peace or who confront major world crises get political credit for it.

A Gallup study last year identified 42 "rally events" in which presidents played such roles, stretching back to Franklin D. Roosevelt, and found an average approval jump of 8 percentage points, lasting an average of 10 weeks.

Sometimes the increase has been bigger. When the American hostages were seized in Iran in 1979,

President Jimmy Carter's rating jumped 19 points. When the Vietnam peace agreements were reached in January 1973, Richard Nixon gained 16 points.

Mr. Bush's approval figure reached 89 percent, a record, after jumping 18 percent at the onset of the air war against Iraq.

But the Democrats will do all they can to re-emphasize Mr. Bush's weak point — domestic affairs. The speaker of the House, Thomas A. Foley, Democrat of Washington, said this week that he doubted that the House would approve further aid to Russia because it was still politically unstable.

The political fallout of the Yeltsin visit is also complicated by a possibility that Americans taken prisoner in Vietnam and earlier might have been sent to the Soviet Union and imprisoned, and that some might still be alive.

A whole series of other caveats must be applied to any suggestion that the agreement could represent a turning point in a dismal campaign for the president.

First and most obviously, the election is in November, not June and other events at home and abroad will arise to capture voters' attention. Only rarely is a foreign-policy event so riveting that it

swings large numbers of votes months later.

"The president has had very little good news to talk about for the last three months," said Peter Hart, a Democratic pollster, strategist and analyst. "And this will certainly help him in the short term by pulling the spotlight back onto foreign affairs, the one subject voters think he is best qualified to deal with."

"But this is not like a war in the intensity of its impact, and people are going to come back to the domestic issues by the fall. It will still be an election about whether the government works and solves our problems."

In addition, a potential paradox lurks in the agreement to cut the two countries' nuclear warheads by two-thirds. If it is successful, the possibility of nuclear confrontation would be further reduced and, it could be argued, so would the importance of having an experienced hand on the nuclear trigger.

Both the other main presidential contenders, Ross Perot and Governor Bill Clinton, lack foreign-policy experience. But would that matter so much, when the risk of major war seemed slight?

Mr. Clinton might also be able to argue that the negotiations in weaponry should make available more

money for the domestic programs he has advocated, without always being able to describe precisely how he would pay for them.

President Bush has been trying to play the foreign-policy card, without conspicuous success, since he began his re-election campaign. He used television commercials in the New Hampshire primary that extolled his role in the Gulf and attacked his Republican rival, Patrick J. Buchanan, as a reluctant warrior on that conflict.

Only Monday, on CNN television before the arms-control agreement had been reached, Mr. Bush all but begged voters to reward him for his foreign policy.

"I hope they know I stand for world peace," he said. "I hope every mother and dad out there says, 'Hey, we ought to give this president a little credit for the fact that our little kids don't worry quite as much about nuclear war.'"

Voters do credit Mr. Bush with foreign-policy expertise. In the most recent New York Times/CBS News poll, in early May, he had a 47 percent favorable rating in foreign affairs and 42 unfavorable.

But his rating in handling the economy was so dreadful — 18 percent favorable, 73 percent unfavorable — that it dragged his overall standing into negative ground.

## For Yeltsin, a Ho-Hum Mood

Crowds Less Excited Than They Were for Gorbachev

By Michael Dobbs  
Washington Post Service

WASHINGTON — The president of the United States called the president of Russia "my friend."

Phrases like "the end of the nuclear nightmare" and "the bastions of communism exist no more" rolled across the South Lawn of the White House. Children waved Russian and American flags. But something still seemed to be missing.

For a capital that virtually ground to a halt whenever Mikhail S. Gorbachev was in town, Washington seemed strangely somnolent as it played host to the man who personifies the second Russian revolution — Boris N. Yeltsin.

There was no outpouring of public affection for the visitor from Moscow, no shouts of "Yeltsin for world leader!" no lunch-time pandemonium as the Russian president jumped out of his motorcade.

In short, there was little of the political electricity that characterized the Gorbachev visits here in 1987 and 1990.

Mr. Yeltsin may be infinitely more popular in Russia than Mr. Gorbachev was, enjoying a relationship with his people that the last president of the Soviet Union never achieved.

But the relatively muted response here to Mr. Yeltsin's first formal summit meeting with President George Bush suggests that he has been much less successful than his retired rival in capturing the imagination of the public.

The ho-hum attitude to Russia's new leader is partly a reflection of the fact that his country is now viewed by many Americans as a potential friend rather than a mortal enemy.

When Mr. Gorbachev arrived in Washington for the first time, in December 1987, he came as the leader of a powerful superpower with thousands of nuclear warheads aimed at American cities.

"If you have been living with a nuclear gun pointed at your head for decades, then the guy who removes that gun is going to look like a hero to you," said Dmitri Simes, a Russian expert with the Carnegie Endowment, who has met both Mr. Yeltsin and Mr. Gorbachev in recent months.

"The infatuation with Gorbachev had very little to do with Gorbachev himself," remarked Melor Sturua, a former commentator for the newspaper Izvestia, who is on leave to teach at Harvard University.

"Americans invested a lot of their own hopes in him. He became a symbol of the new world order that they desperately wanted to achieve."

Mr. Yeltsin moved much more vigorously than Mr. Gorbachev did in slashing Russia's offensive military potential. An elected leader, he has gone much further than Mr. Gorbachev in embracing Western-style democratic values.

Paradoxically, however, he seems to have a more threatening public image than Mr. Gorbachev.

"People here thought they could understand Gorbachev; he was more their type," said Yuri Otkhovskiy, a specialist at George Washington University, as he waited to watch Mr. Yeltsin arrive for the White House welcoming ceremony.

"He is the kind of person you could invite to tea and have a civilized conversation with. Yeltsin is a rougher kind of fellow. He comes from Siberia. People fear him."

Mr. Satura said: "Gorbachev comes across as sincere, friendly, almost cuddly. You felt he wouldn't bite you. He was the antithesis to the traditional kind of fearsome Russian leader. People abroad liked him because he represented a defeated and humiliated Soviet Union."

"Yeltsin, on the other hand, looks like a typical Russian bear. He is a strong leader who represents the new Russia, a Russia that could one day again compete with the United States."

Until now, Mr. Yeltsin has also been noticeably less successful than Mr. Gorbachev in using the U.S. news media to get his message across. When Mr. Gorbachev was Soviet president and visited a foreign capital, he was preceded by a small army of foreign policy aides and Communist Party officials with an intimate knowledge of the country he was visiting.

In the Yeltsin camp, one sometimes gets the impression that confusion reigns.

The lack of attention paid by Mr. Yeltsin to his public image in the West was reflected in his lack of a press secretary for three months this year after his spokesman quit.

A new spokesman, Vyacheslav Kostikov, was finally appointed in time for the summit meeting and is struggling to keep his head above water.

Asked in Moscow whether Mr. Yeltsin would be meeting Ross Perot during his visit, Mr. Kostikov responded with a blank look.

"Who's he?" he asked.

"Who's he?" he asked.

down badly with the military. It appeared to give the United States the very edge that Mr. Yeltsin told the military he opposed.

As described by the two presidents, the agreement called for the elimination of multiple-warhead, land-based intercontinental missiles, which are the backbone of the old Soviet nuclear arsenal, but allowed the survival of multiple-warhead, submarine-launched intercontinental missiles, which are the United States' major nuclear strength.

Precisely such a deal was assailed by Mr. Yeltsin only last Wednesday in remarks at the Defense Ministry, where he supported continued nuclear parity and accused the United States of seeking "a more advantageous position."

His remarks were not reported in detail here. But unless Mr. Yeltsin had found other means of achieving parity, he was likely to come under criticism for unilaterally surrendering one of Moscow's major strengths.

The obvious counter to such arguments — that the survivors of a disintegrated and bankrupt Soviet Union have no logical claim to demand parity with the major Western power — is not heard in a nation that has not yet become accustomed to the loss of might.

A great many Russians, even those who normally regard themselves as liberal, democratic and enlightened, have had difficulties shedding the identification with power and empire. Many residents of the former Soviet Union, and especially those living in Russia, derived their sense of identity from the scope and significance of their nation, not their nationality.

## Russia and Arms Cuts: New Era or New Stresses?

By Serge Schmemmann  
New York Times Service

MOSCOW — Like so many of the drastic changes taking place in Russia, the agreement for drastic reductions in the nuclear arsenals of Russia and the United States is likely to be welcomed for heralding a new era and resented for confirming the collapse of empire.

The accord, announced by Presidents George Bush and Boris N. Yeltsin on the first full day of the Russian's visit to Washington, seemed to come as a major surprise.

Mr. Yeltsin, it appeared, relished the surprise. And it was evident that he hoped to find political benefits in nuclear reductions that went far beyond anything the old Soviet Union had ever achieved and, as he stressed, far more quickly.

The Russian president has made much in interviews and speeches of the claim that he is leading Russia back into the fold of civilized nations, and that he is capable of matching and exceeding the rapport that Mikhail S. Gorbachev, the last of the Soviet leaders, had developed with the West.

For those Russians reared on the fear of a nuclear clash of the superpowers, and for those who have understood that Russia can no longer afford the sort of military expenditures that ultimately bankrupted the Soviet Union, the news was bound to be welcome.

But the treaty was equally certain to meet with grumbling and disaffection from that sizable portion of the populace, especially the older people, chafing over the collapse of Soviet and Russian power and influence.

At the tip of the iceberg were several hundred Russian ultranationalists and Communist diehards who gathered around the television tower at Ostankino on Tuesday night, denouncing Mr. Yeltsin as a Judas for "selling out" Russia.

The decision was also likely to go

Even today, many Russians take for granted that their country has a say in the Middle East or in Yugoslavia. Mr. Yeltsin himself argued in an interview last week that his land was a great power, if only by virtue of history.

Thus, even those Russians who recognize the wisdom and advantage of the arms deal are likely to feel a tinge of remorse if they perceive that Russia is surrendering power. Such feelings were very likely exacerbated by Mr. Yeltsin's comment that with half of the Russians living below the poverty line, it could no longer afford a large arsenal.

Men like Georgi A. Arbatov, head of the U.S.A. Institute, have become increasingly bitter in public over the perception that Russia is destroying itself by aping Western ways.

Mr. Arbatov and like-minded Russians have focused much of their irritation on the International Monetary Fund, which is perceived by many Russians to be making demands that would plunge the nation even deeper into poverty.

Ultimately, the success or failure of Mr. Yeltsin's first major diplomatic foray to the United States will be determined by the success or failure of his reforms.

If there is a perception that the reforms are bearing fruit, and especially if the West comes through with the mooted multibillion-dollar aid package, the summit talks and the arms agreements will come to be seen as major milestones in the forging of normal East-West relations.

If things go badly, Mr. Yeltsin's political opponents from the "national-patriotic" camp are likely to focus on the summit meeting as an example of the president's kowtowing to the West at the expense of his people.

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# South Korea

## NEW STRATEGIES FOR SUCCESS

### Economy Aims for Fast Lane

With its economy losing steam and the quality of its exports falling behind those of its trade rivals, South Korea has launched a wide-ranging campaign to recapture the glitter of its economic "miracle."

South Korea is counting on credit and import curbs, economic restructuring, relaxed foreign-investment rules and new export-oriented loans to reverse a trade slump that has turned a surplus of \$9.6 billion in 1987 into a \$10 billion deficit in 1991. Analysts expect the deficit to balloon to a record \$15 billion this year.

According to most observers, the crisis that South Korea is facing is the result of a lack of foresight in the years when the economy was booming. Exports have fallen

cross-payment guarantees on each other's debts to strengthen their corporate financial structure.

Meanwhile, the government has imposed a tight monetary policy, curbed certain imports — particularly capital goods and machinery — and announced that it will reduce oil imports in a bid to dampen inflation. At the same time, the government has relaxed regulations on foreign investment — it now allows investments of up to \$20 million without prior evaluation — and opened up key industries such as aviation, energy and port development to foreign participation. It has also hiked up its low-interest loans to smaller companies involved in export production. In both instances, the aim is not just to generate new exports but also to attract and develop new technology.

As these measures take effect, industry leaders are counting on an early end to the U.S. recession. With South Korea still dependent on the United States for more than 25 percent of its export earnings, a U.S. economic recovery would be more than welcome at this time.

The cutback on imports has been partially responsible for an improvement in the overall trade balance this year. According to the Bank of Korea, the current-account deficit narrowed to \$283.6 million in April, compared with \$873.2 million in March. The deficit with the United States, however, has climbed to \$965 million over the first three months of this year, compared with \$197 million in the first quarter of 1991. "I believe our balance of payments will continue to improve in line with the economic recovery in the United States," says Park Jeong-ryong, an economist with the Bank of Korea.

A recovery in the United States will not solve everything, however. Over the past three years, South Korea has been moving vigorously to diversify its export markets to hedge against the threat of a protectionist backlash in the United States. The

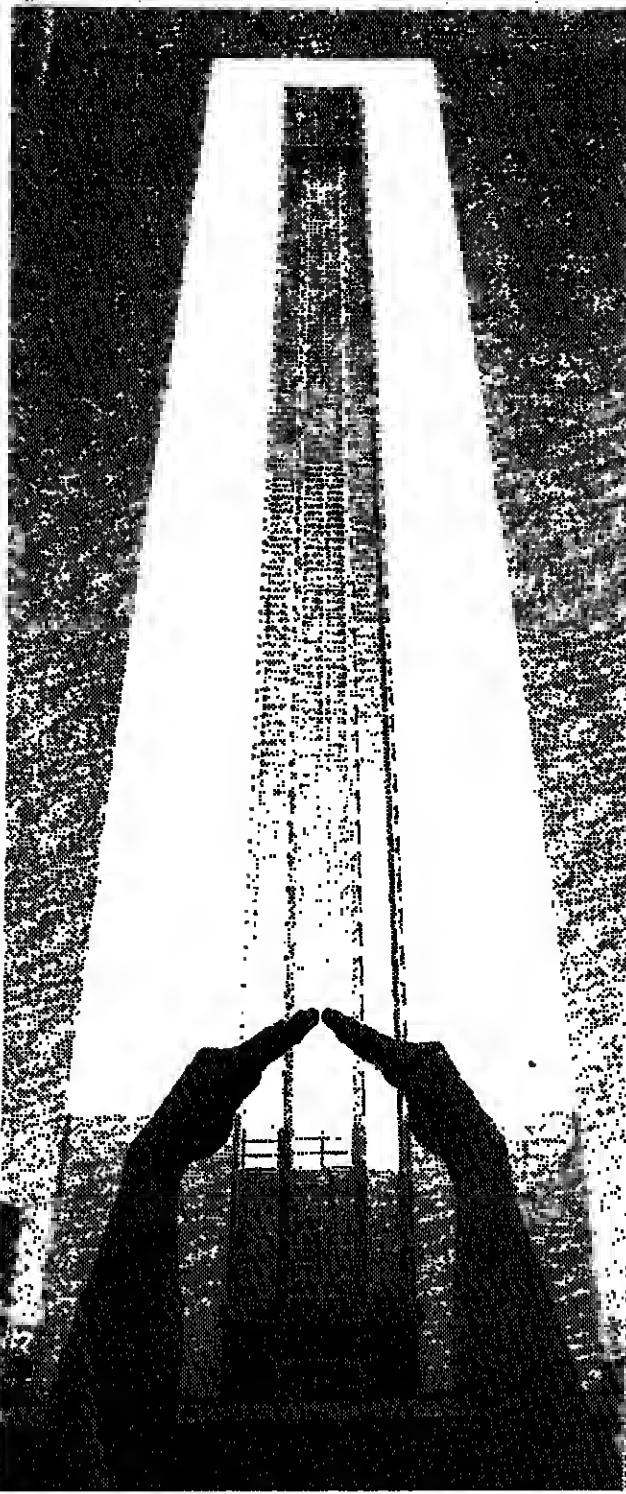
### A U.S. recovery could help reverse trade slump

cutback partly because manufacturers neglected to invest in research and new technology when they were enjoying a huge \$33.7 billion trade surplus from 1986 to 1989. The technological standards of key exports like automobiles, computers, machinery, home appliances and fiber products are said to be lagging behind those of exports from Japan, the United States and Germany.

Inflation, currently running at well over 10 percent, and the high cost of money have also eaten away at the price competitiveness of exports. While the nation's huge conglomerates, or *chaebols*, were the main engines of the economic boom, their power has also been diluted, analysts say, by excessive expansion into enterprises — particularly property speculation — unrelated to their core businesses.

According to Finance Minister Rhee Yong-man, some of these giants could match multinationals in terms of total turnover, yet they are so stretched by diversification that they are dwarfed by foreign competitors when it comes to core production.

Taming the *chaebols* is one of the goals of the government's drive to get South Korea's export economy back into the fast lane. Not only are these conglomerates being urged to focus on competitive core enterprises, but their subsidiaries are also being compelled to cut the level of



One-stop information center: The Korea World Trade Center in Seoul houses several official organizations that cater to visiting executives.

### The Chaebol: Changes in Store

South Korea's *chaebol*, the family-owned business groups that are responsible for most of the nation's economic miracle, trace their roots back to the end of the Korean War, making them much younger than the Japanese *zaibatsu* they so closely resemble.

Coddled by the government even as it tries to keep them in harness, given preferential access to loans in sectors where the economic planners want to expand and denied money for ventures in other areas, encouraged to export and strongly discouraged from importing, the

ates at 44 trillion won (\$56 billion) in 1992 and exports of \$8.5 billion. Always focused on exports, Hyundai is banking on technology to carve out a bigger slice of the global economic pie in the future, and it is investing heavily in robotics, advanced electronics, computers and petrochemicals.

Ssangyong has 22 domestic and 25 overseas subsidiaries. Its focus is on cement, oil refining, paper-making, heavy industry, construction and basic industry, but it also has an extensive interest in automobiles, the general machine industry, precision chemicals, new materials, communications and other high-tech areas with strong growth potential. The group aims to achieve technological self-sufficiency through acquisition and through its own research and development.

Daewoo intends to expand its overseas investment through locally incorporated companies abroad and to shift away from original-equipment manufacturing to develop its own image. It recently set its sights on Europe, where it has bought distribution companies and has an electronics plant. Overseas, Samsung has 11 factories in 10 nations, and it has set up distribution networks in the United States, Britain, France and Australia.

Struggling against enormous pay hikes over the past few years, shortages of skilled technicians and a weak dollar, the *chaebol* are finding that they fall into the gap between developed and developing nations. They cannot match their Southeast Asian rivals on price, but they lack the sophistication to compete equally with Japanese, European and American companies in terms of quality.

### Nation, chaebol will sink or swim together

*Chaebol* are South Korea's main export earners and the nation's largest employers. Chief among them are Lucky-Goldstar, Hyundai, Ssangyong, Samsung and Daewoo, which are estimated to have sold goods and services in 1991 amounting to nearly half the country's gross national product. *Chaebol*-controlled trading companies account for almost 40 percent of exports.

Hyundai, perhaps the pre-eminent *chaebol*, has a strong overseas presence with its cars and construction, but it seems to be pinning much of its future on the development of natural resources in the Russian Far East, where it is interested in lumber, oil, natural gas and coal. Although the group is still tightly run by the Chung family, its founder has left to stand for president in the December election. Hyundai projects total revenue from its 41 affili-

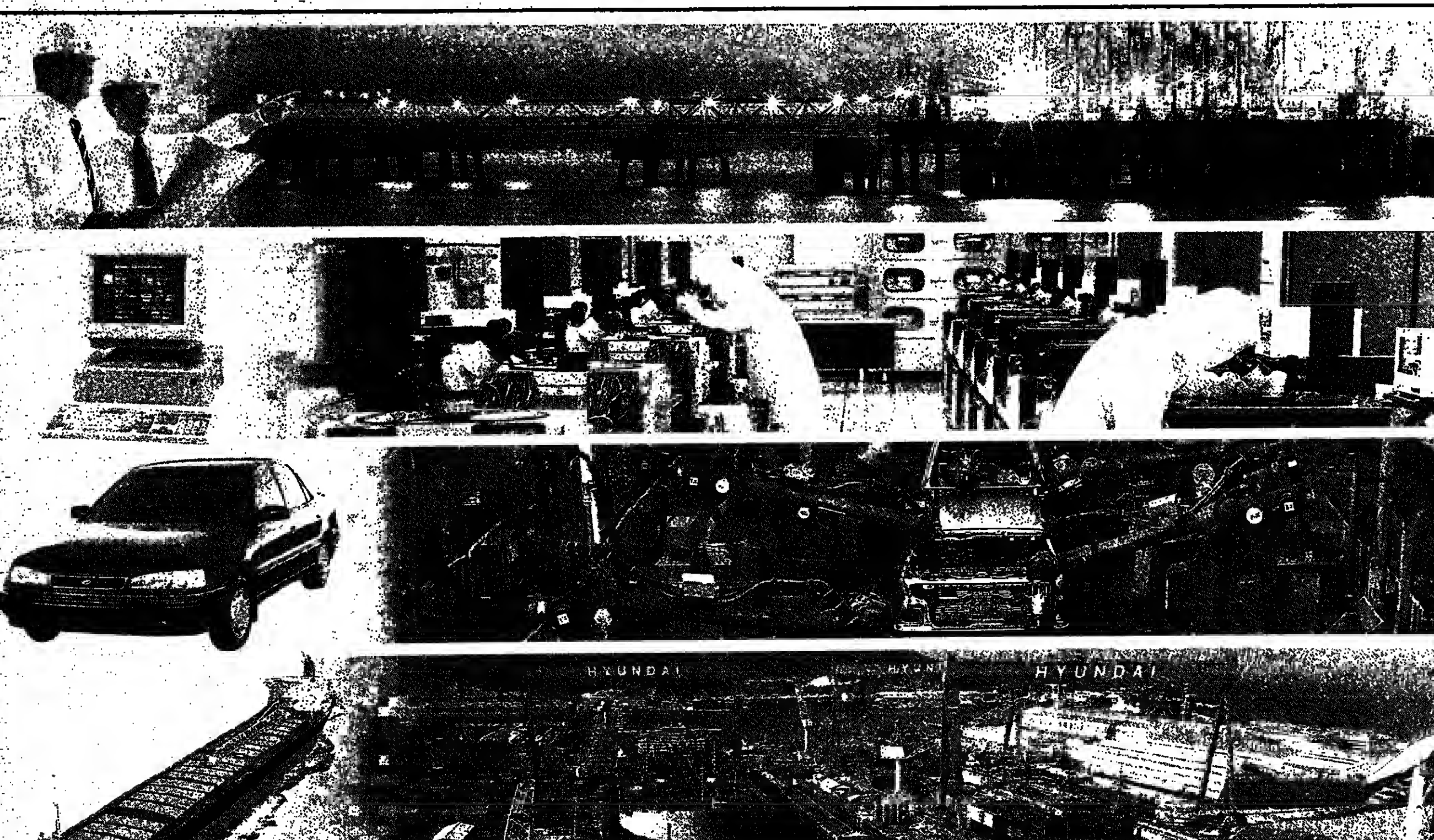
As a result of rises in costs, the profitability and financial status of South Korean companies is estimated by the central bank to have worsened last year, despite a 17.6-percent growth in sales. The ordinary profit-to-sales ratio fell to 1.8 percent, compared with 4.3 percent for Japan and 4.5 percent for Taiwan.

To enhance the competitiveness of the *chaebol*, the government announced on May 22 that it would support seven leading sectors — electronics, automobiles, steel, cement, pulp, petrochemicals and semiconductors. It estimates the total capital requirements over the next few years at 8.33 trillion won, of which more than half would have to be raised outside the country due to the slump on the South Korean stock exchange.

The government will encourage companies in the seven sectors to borrow on overseas financial markets

Continued on Page 9

Continued on Page 9



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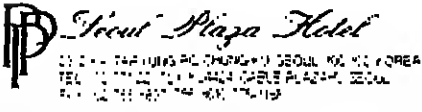
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## Seoul Markets Open to Foreign Investors

South Korea has made landmark moves this year to open up its financial markets to foreign participation, but international banks and investors say restrictions are still too daunting for big business.

A major problem for foreign investors, in one Hong Kong banker's view, is the insular nature of the South Korean business community and economy. "The South Koreans still believe their own economy is sufficient to

### The bourse is Asia's second-largest

support itself," he says. "One case in point is the automobile industry — everything you see on the roads in South Korea is Korean-made." On the other hand, the internationalization of the banking sector, in particular, reflects what is happening in the economy as a whole. Foreign participation is welcomed, under the program to remove trade and investment barriers, but then the regulations governing foreigners make it almost impossible to compete with Korean firms.

This year, South Korea has liberalized its stock market

to admit foreign investment and unveiled new draft banking laws that will provide more equality for foreign banks. Foreign participation in the stock market, however, is still limited to 10 percent of most stocks, and brokers say too many of the country's most profitable industries are listed as strategic. High capital-gains taxes are also a major drawback.

Furthermore, overseas investors face a number of bureaucratic hurdles before they reach the big board. At least one foreign-securities executive in Seoul has described these "complicated requirements" as a major reason for a marked foreign reluctance to enter the market at the moment.

Japanese investment has been particularly disappointing. Of the 565 foreign companies from 21 nations that were registered when the market opened up in January, only 55 were Japanese, while nearly half were from Taiwan. For all this, liberalization and heavy buying has driven the key index up 2 percent, and the market is expected to attract up to \$2 billion in foreign funds this year. Analysts also point out that the South Korean bourse, capitalized at around \$100 billion, is the second-largest in Asia. Then there is the promise of things to come: It took 10 years of planning to get the market to this stage, and South Korean officials admit the shackles are being released gradually to protect local investors.

As for banking, the consensus in foreign financial circles, as one source puts it, is that "the environment in

South Korea is still virtually closed to outsiders." Again, it is the regulations that are keeping international banks out of the market; there are, he says, "one set of rules for the Koreans and another set of rules for us." On top of that, foreign access to local currency, the won, is described as "well nigh impossible."

The structure and operation of one of the biggest foreign banks in South Korea, the Hong Kong and Shanghai Banking Corporation, are an indication of the size needed to compete there and the limited opportunities available.

HKSB has the advantage of integration with Midland Crockford and Marine Midland in South Korea, a structure that gives it "a very large balance sheet and makes us a big banking entity," according to a Hong Kong spokesman.

The lack of access to the won, however, means that HKSB's main line of business — some 60 percent of its financing — is with the South Korean multinationals, the chaebols, leaving the domestic market largely beyond reach. Getting the won is also becoming more and more expensive these days. The high cost of currency and a recent rise in borrowing costs, which has diminished the competitiveness of South Korean products, have probably exacerbated South Korea's export problems. The trading slump, along with the projected \$10 billion to \$15 billion trade deficit for 1992, explain, in turn, why foreign bankers and investors have not yet poured through the doors that are opening up in this country's economy.

Derek Maitland

## Where Confucianism Meets Consumerism

As cash-rich South Koreans edge away from a life of all work and very little play, the pursuit of leisure and pleasure is becoming increasingly important.

The brightly flickering neon lights of downtown Seoul, garishly urging people to buy expensive consumer goods, are a radical contrast to the restrained

were lifted some three years ago, close to two million Koreans are now heading overseas annually. For the first time, they see how neighboring countries such as Japan and Hong Kong are able to combine the work ethic with the pleasure principle, working earnestly to earn money while devoting an equal amount of energy to spending it.

### Similarities with the West are superficial

orderliness of the city's ancient temples. The juxtaposition reflects a society moving gradually from the traditional Confucian values of thrift and family-first loyalty to the live-for-today ethics of the yuppie generation.

Rising affluence is producing a new taste for life-style-related goods and services. Some of the most grateful beneficiaries of this new spending power have been South Korea's neighbors in Asia, who have happily accepted the tourism dollars generated by South Koreans traveling abroad.

Since travel restrictions

Tourists who have enjoyed shopping sprees, gambling tours or beach holidays return with a taste for the good life and fewer inhibitions about expressing their preferences openly. Seoul's proliferation of Western-style eating places — including pizza outlets and hamburger joints, not to mention its compact-disc stores, discos and karaoke clubs — shows a society developing more eclectic tastes than it had before.

For all the new consumer awareness, visitors —

particularly from the West — will be most struck by the way the country has managed to preserve many of its customs. At temples and shrines in Seoul and elsewhere, the ancient lives side by side with the ultra-modern. It is common to see teenagers clad in jeans, trainers and T-shirts assisting their traditionally dressed grandmothers at worship.

It is a similar story in the workplace. Office workers may dress like their counterparts in the West, but the similarities are superficial. More liberal, consultative management practices are only slowly filtering through in South Korea; promotion through long service and loyalty, rather than sheer merit, remains common.

Some companies are making a real effort to keep in step with modern times. The forward-thinking chairman of Lucky-Goldstar, Koo Cha-kyung, has brought in a manage-

ment system that gives individuals more autonomy. South Korean expertise — whether in construction, shipping or banking — is in demand in other parts of the world. Recently, the investment arm of Ssangyong played a major role in the privatization of Philippine Airlines.

Despite the modern strides South Korea has made into the latter part of the 20th century, women in the country remain many steps behind their counterparts in developed countries elsewhere. They find it difficult to climb the corporate ladder toward an executive role.

Increased exposure to the outside world, combined with a new affluence, looks set to change South Korea still faster in the next few years, but it will take more than a couple of decades of high spending power to remove national traits that go back centuries.

Mark Graham



A taste for fashion — but traditions remain.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Mark Graham is a British-born journalist who has lived in Asia for six years, traveling widely throughout the region and covering a variety of topics. • Derek Maitland is editor-in-chief and publisher of The Pacific Traveller magazine. • Simon Warner is a journalist based in Seoul.

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# RELIABILITY

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ADVERTISING SECTION

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# Executive Travel: From Lodging to Limos

Increased exposure to the outside world is making South Korea a much more business-friendly nation, with international-standard levels of communication, accommodation and cuisine.

Seoul has become increasingly cosmopolitan since the world came here for the 1988 Olympics, giving Koreans a unique insight into how other cultures live their daily lives.

Two other factors have combined to make the city significantly more international: a stock exchange that

tion that can take an hour or more by taxi. The limousine service organized by the Korea City Air Terminal is proving to be a popular way of avoiding the hassle of hailing a cab and arguing over the price. Inbound passengers arriving at Kimpo can buy limousine tickets for the one-hour ride at the first-floor concourse; people leaving can pick them up from their hotel or at the Korea City Air Terminal, located in the World Trade Center. From the downtown terminal, it is a five-minute walk to the nearest station on the city's comprehensive subway routing — or a quick drive to hotels in the southern and eastern parts of Seoul.

A visit to the center is a convenient way to begin — and end — a South Korean visit; it is a kind of one-stop information shop. New arrivals can speak to representatives of the various official organizations located in the building, including the Korea Foreign Trade Association

and the Korea Trade Promotion Corporation, while departing executives can check in for long-haul and domestic flights at the city terminal.

From the terminal, it is only a quick hop to any of Seoul's excellent international hotels, most of them equipped with business centers that match any in the West or other parts of Asia. The 500-room Seoul Plaza hotel is about as central as hotels ever come. It is right in the middle of downtown, close to offices, shopping districts and restaurants; the hotel offers a spectacular view from its upper floors. With Seoul's superb system of signposted underground walkways, it is possible to walk to many central locations, avoiding rush-hour traffic jams.

Hotels such as the Seoul Plaza have a full range of international dining options — ideal for whistle-stop visits — with a wide variety of alternatives close by.

Entertaining is an important part of any business deal. South Koreans like to know whom they are doing business with, and they are prepared to spend long hours getting to know their foreign counterparts. A bond forged with South Koreans tends to

be a long-lasting one, worth cultivating carefully during those early days.

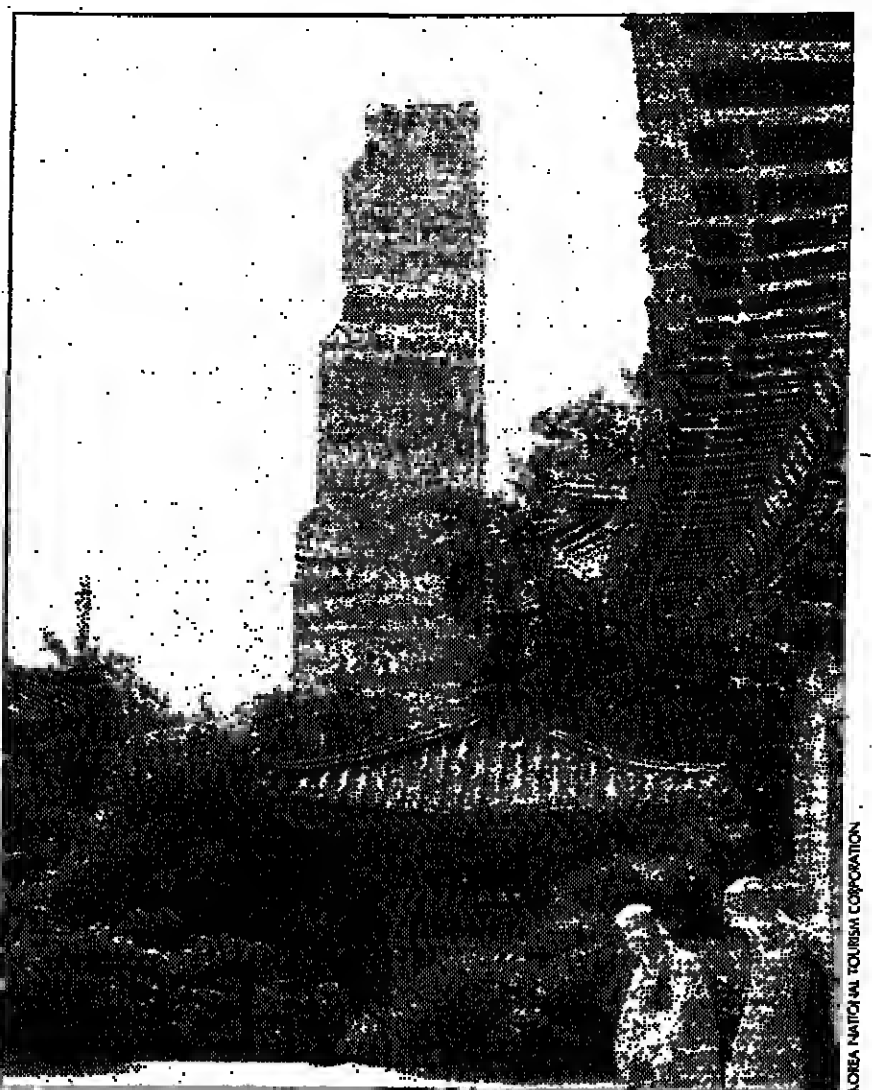
South Koreans are becoming increasingly familiar with Western food, although they may feel more comfortable on the home turf of a traditional Korean restaurant, with fiery kimchi and spicy food. A satisfactory compromise would be for the visitor to play host with Western food, allowing South Koreans to reciprocate with their own cuisine.

Free-standing Western restaurants that offer fine dining are few and far between: Visitors tend to stick to outlets in the bigger hotels. A wider range of bars, discos and nightclubs can be found in the neon-lit entertainment district of Itaewon.

During daylight hours, Itaewon adopts a much less ritzy profile; it is the main gift-shopping area, featuring scores of shops filled with jewelry, clothing, watches and sporting goods.

Business executives traveling to South Korea next year should not miss the Taejon EXPO '93, an international exposition to be held from Aug. 7 to Nov. 7 in Taedok Science Town, Taejon City. The exposition, which takes as its theme "The Challenge of a New Road to Development," will focus on finding solutions to the problems of industrialization; these solutions include ways to decrease pollution, efficiently use resources and uphold traditional values in the face of industrialization. A showcase for South Korean technology and the nation's "can-do" spirit, Taejon EXPO '93 expects 10 million visitors and the participation of 60 nations and 21 international organizations.

Mark Graham



Big changes in a traditional culture: An economic boom and events such as the 1988 Olympics have made South Koreans more cosmopolitan and outward-looking.

## The Taejon EXPO '93: a showcase for technology

now allows foreign investment and the increasingly outward-looking attitude of the South Korean people.

For people flying into the city, Seoul does have its problems, not least of them the perennial headache of getting across town. Like many Asian capitals, Seoul has roads that were not designed for a late-20th-century economic boom that has flooded the streets with vehicles.

The biggest headache is getting to and from Kimpo airport, an expedi-

## The Chaebol: Changes in Store

Continued from Page 7

and to issue bonds abroad; it will also sell them low-priced land for factories and reduce the military service conditions for their employees. The government has promised more money for research and development along with state-funded technology centers.

Compounding the challenge for the chaebol is market opening, as it forces them to fight on two fronts, but analysts say this will get the government to pay more attention to the big groups and listen to them, as their contribution to the economy is central: The chaebol and the nation will sink or swim together. This cooperation, they predict, will help the economy by depoliticizing business. International pressure for free trade and fair competition will also make it harder for the government to meddle in business and will require it to sit down and talk with the chaebol about economic policy.

Haunting corporate boardrooms is the fear that the government wants to dismantle the chaebol, or at least humble them, and companies are keeping a close eye on developments.

In most groups, the dismantling has already started, with the presidents of subsidiaries being given varying degrees of autonomy in decision-making.

On the front line of the changes is Lucky-Goldstar, which may be representative of how all 61 of South Korea's chaebol are destined to evolve. At Lucky-Goldstar, much of the change has come from the top; Chairman Koo Cha-kyung's Vision 2000, introduced in 1990, has set corporate strategy for the group. Vision 2000 is the direct result of a study by U.S. management consultants McKinsey and Co. in 1987 suggesting that Mr. Koo stop calling all the shots at individual companies, develop human resources and allow managers to specialize. Mr. Koo heeded the advice and gave his managers a free hand, sending turnover and profits soaring in short order.

Lucky-Goldstar has made its 62 companies into 24 "cultural units" by product line, and Mr. Koo has given them free reign; each has its own CU president. Eventually, the group will recreate itself around them as individual companies, but for now they exist only as management units where parts of compa-

nies, divisions or several companies that have similar products are combined into one. The key to the future for the chaebol, Mr. Kim says, is marketing. His group's "user-friendly campaign" is seen as central to its success, he says.

Song Ji-hun of Hyundai's corporate-planning office says his group aims to have each subsidiary managed independently, increase investment in research and development, improve productivity, smooth out industrial relations and improve employee welfare.

At the headquarters of the Ssangyong Group, Lee Sang-chan, a company spokesman, says it is too soon to say what changes are planned, but the group has developed a management philosophy that it hopes will boost its competitiveness. This stresses three points: reliability, so that consumers and employees develop trust in Ssangyong; innovation, which incorporates changes in employee thinking as well as development of new products; and harmony, or respect for individual characteristics (not a strong point of South Korea's traditionally hierarchical society) and teamwork.

Simon Warner

## Korean Economy Aims for Fast Lane

Continued from Page 7

success of these efforts is beginning to show: In March this year, exports to Southeast Asia overshadowed those to the United States for the first time.

For all that, South Korea is pinning its main hopes on a trade and investment strategy in which it seeks to integrate much of its economy with its communist neighbor, North Korea, the north-eastern provinces of China and eastern Siberia.

South Korea is looking to China's eastern Shandong province and the resource-rich areas of old

Manchuria for cheap offshore manufacturing opportunities that will bring export prices down. In a bold diplomatic move that began in the latter days of Mikhail Gorbachev's Soviet presidency, South Korea has poured aid and investment into the former Soviet Union to secure raw materials and technology and open up new export markets.

Seoul's bid to normalize relations and generate investment and trade with communist Pyongyang is creating excitement these days. Bilateral trade has risen eightfold in the past two years, reaching \$192

million in 1991. Since the two Koreas signed a non-aggression and reconciliation pact last December, economic links have strengthened, with Seoul businessmen now discussing joint-venture investments in highways, hotels and auto-parts plants in North Korea.

Seoul is also positioning itself to play a major role in the Tumen River special economic zone, which Pyongyang plans as a key kick-starter of its own dilapidated economy.

Pyongyang plans to spend \$4.2 billion developing the zone over the next seven to 12 years, and it is

seeking South Korean, Japanese, Russian and United Nations money to accomplish this.

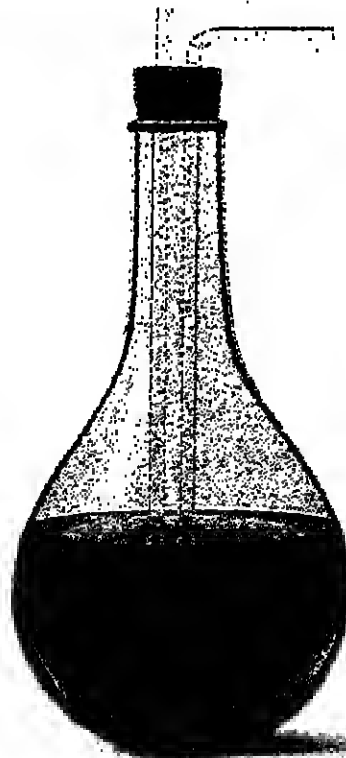
With Japan hesitant about the project and Russia virtually broke, economists have concluded that Pyongyang cannot develop at all without Seoul's help.

While this is a timely opportunity for Seoul, analysts warn that economic integration must be handled delicately as long as there is a prospect of provoking an East German-style collapse in the North and forced reunification.

Derek Maitland



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HEALTH/SCIENCE

Kids' Suicide: Cries for Help Often Unheard Phenomenon, Still Rare, May Be Underreported

By Jane E. Brody New York Times Service

PITTSBURGH — With suicide now the third leading cause of death among children and the second among older teenagers in the United States, researchers are discovering that long-held beliefs about the causes of youthful suicidal behavior and clues to it can be misleading and result in a failure to head off the final fatal act.

usual; in 1989, the last year for which statistics are available, 240 children from 5 to 14 and 4,870 from 15 to 24 were listed as suicides by the National Center for Health Statistics. But experts say statistics do not tell the whole story.

The findings show that while most of these young people provide their families or friends with clues to their suicidal intent, the hints are often overlooked, ignored or not taken seriously and instead are considered a "normal" variant of youthful behavior.

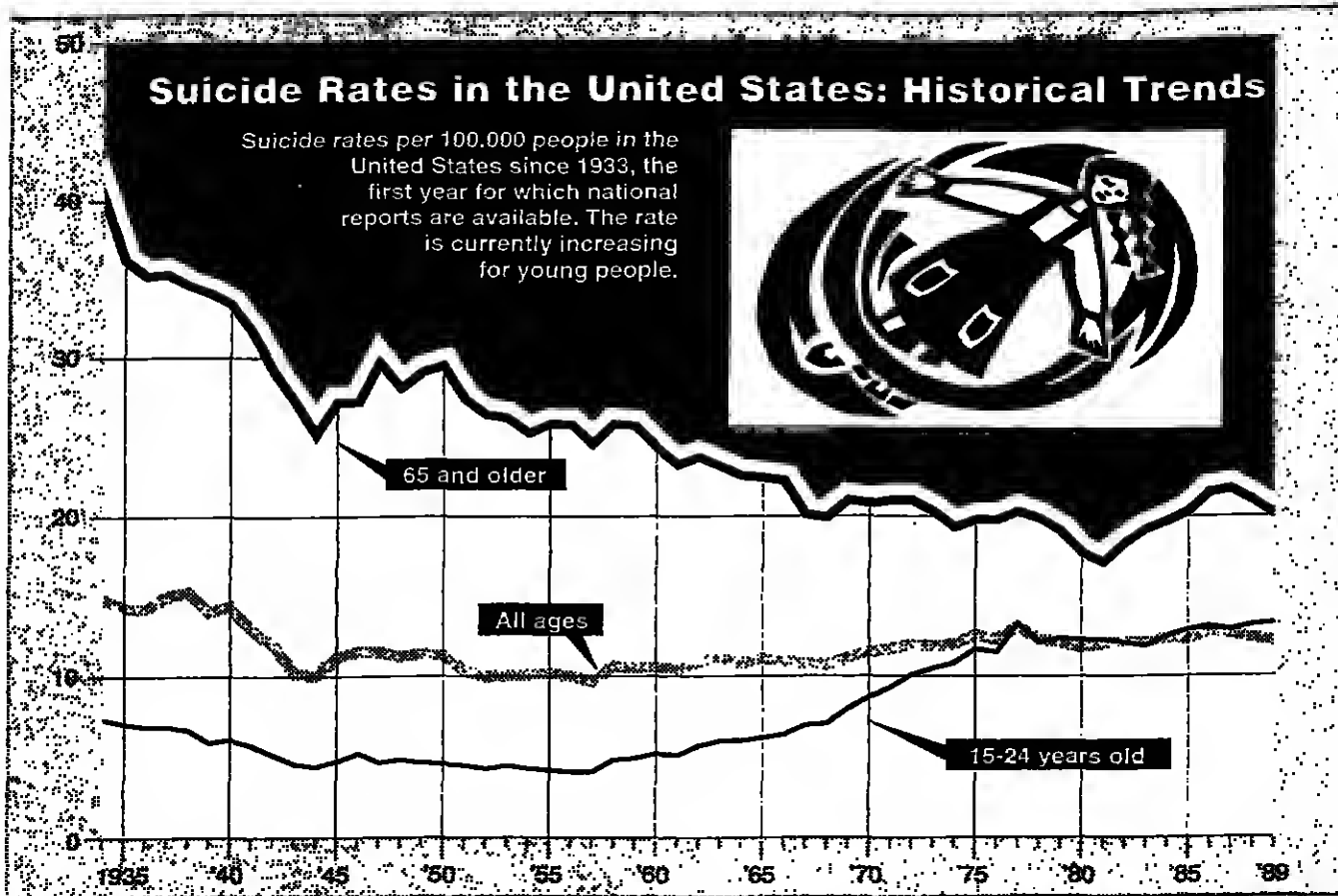
Researchers from Rush-Presbyterian-St. Luke's Medical Center in Chicago tell of a 16-year-old boy named Robby.

The day before he killed himself with a gun kept in the house, Robby gave his brother his prized music collection, telling him he would no longer need it. The brother was thrilled by the gift, so thrilled that he never asked what had motivated it.

Robby told his girlfriend that if she ended their relationship as threatened, he would be watching her from above. That night he talked with his mother about how upset he was.

And although in the two previous months Robby had lost weight and interest in things he had long enjoyed and had reported having trouble at work and in going to sleep, no one realized until it was too late that he was suicidally depressed.

According to official statistics, children like Robby are highly un-



Source: National Center for Health Statistics

Many Designers: The New York Times

Among the young and the contagion is clearly fostered by attention in news reports to a youth's suicide.

While depression and feelings of hopelessness are common among suicide victims of all ages, extreme anxiety — what one researcher called fear and dread — is emerging as a prominent emotional trigger to suicide in the young.

Each year more than half a million young people attempt suicide. More than 12,000 children from 5 to 12 have thought about or even attempted suicide.

Suicide experts say that an unknown number of deaths among young children that are listed as accidents, like being struck by a car, falling from a window or swallowing poison or pills, are actually suicides.

Dr. Pfeffer, the author of a textbook, "The Suicidal Child" (Guilford Press), said that among 131 children he studied who had suicidal tendencies before puberty, "15 percent had attempted suicide by age 17, and nearly a third of those attempts were quite serious, like self-cutting, ingestion of pills or hanging."

Dr. Pfeffer spoke here last week at an international conference organized by the Western Psychiatric Institute and Clinic at the University of Pittsburgh Medical Center.

Researchers at the conference said suicide rates among teenagers and younger children had tripled in the past three decades. And they said recent findings belied the most prevailing myths about how and why young people kill them-

selves. Among the findings they reported were these:

• Children who kill themselves are not "normal" youngsters who suddenly become overwhelmed with distress. Rather, nearly all are emotionally ill for months before their death, though the extent of their misery is usually unrecognized or denied by their families and friends.

• Teenagers who are extremely moody, irritable, volatile or anti-social, abusing drugs or alcohol or getting into trouble in school or with the law, are not displaying the normal stress and confusion of adolescence. Rather, these are symptoms of emotional disorders that are com-

mon among young suicide victims.

Dr. David Brent, a child psychiatrist at the University of Pittsburgh who has examined scores of youthful suicides said he and colleagues had identified six factors that characterize those who take their own lives. The presence of two or more of these factors in a child may represent serious suicide potential, he said.

First, Dr. Brent said, is depression, which raises a child's risk of completed suicide thirtyfold. More often than not, in suicidal teenagers the depression is a mixed state marked simultaneously by feelings of hopelessness and mania.

Dr. Brent said typical symptoms of the mania include "difficultly concentrating, racing thoughts, irritability and impulsivity," a hyperactive state that gives the depressed child the energy to act on suicidal thoughts.

Substance abuse — of drugs, alcohol or both — is a second major risk factor that Dr. Brent and other experts believe represents the young person's attempts to self-treat depression. Unfortunately, alcohol and many drugs are themselves depressants that only make matters worse. They also remove inhibitions to self-destruction.

Behavioral disorders, like frequently getting into fights, being highly disruptive or absent from school, running away from home or

performing illegal or destructive acts, are also common among adolescents who kill themselves. Rarely are such antisocial acts recognized as the cries for help that they really are, Dr. Brent said.

The combination of depression and substance abuse or conduct disorders has been shown to be especially deadly in the young. For example, Dr. Lee Robins of Washington University in St. Louis found in a study of nearly 3,000 inner-city adolescents that while 9 percent with behavioral problems and 20 percent with depression had attempted suicide, 46 percent who experienced both behavior problems and depression had tried to kill themselves.

A fourth factor, availability of a handgun, which is often kept in the house for "protection" against intruders, greatly increases the chances that a child's suicide attempt will succeed.

Previous suicide attempts are also common among those who eventually succeed. Other studies have shown that half of children who make one attempt will make at least one other, and sometimes as many as two suicide attempts a year until eventually about 10 percent of them die by their own hand.

Another predictive factor uncovered through the Pittsburgh studies is a history in close family members of depression, substance abuse, behavioral disorder or suicide attempts.

AIDS Study Sees Population Decline in Africa

By Jane Perlez New York Times Service

NAIROBI — In projections that portend populations in Africa notably lower than expected, a British scientist has predicted that within 20 years the AIDS epidemic in the worst-afflicted African countries may turn current high population growth rates negative.

In Uganda, where 1.5 million people out of a population of 16 million are thought to be infected with HIV, the virus that causes AIDS, the current 3 percent population growth rate is likely to fall to below zero after 2002, with more people dying than being born.

In 15 years, Uganda would have 20 percent fewer people than if the AIDS epidemic had not occurred. The population would be 20.28 million, instead of 24 million. Tanzania, Malawi and Rwanda, all in the Central and East African belt where AIDS has hit hardest, would be similarly affected.

The projections have been made by Roy M. Anderson, head of the department of biology at the Imperial College of Science and Technology in London. The results of his predictions, done with Robert M. May of Oxford University, have been presented in medical and scientific journals in the past year and were expanded on by Dr. Anderson at an international conference on infectious diseases in Nairobi last week.

Dr. Anderson's results are far gloomier than those of other mathematical modelers at the World Bank, the World Health Organization and the Population Council in New York. They have all concluded that population growth in Africa would be curbed by AIDS but would not turn negative.

The discussion of the impact of AIDS on Africa's population comes in the wake of an assertion earlier this month by a leading AIDS research group, headed by Dr. Jonathan Mann of the Harvard School of Public Health, that the number of people infected with HIV by the year 2000 would be far higher than the 40 million predicted by the World Health Organization.

There are already 6 million Africans infected with HIV, and according to what are generally considered the conservative estimates of WHO, 10 million will be infected by 1995.

In making his predictions, Dr. Anderson said he has assumed that the prevailing patterns of sexual activity with multiple partners will continue in Africa. In contrast with the pattern in the United States, AIDS in Africa is spread mainly through heterosexual intercourse.

"Generally, there has been a failure in Africa to accept the magnitude of the problem," Dr. Anderson said. He said he hoped that his projections would awaken policymakers in the West and in Africa to the gravity of the situation. "We must galvanize society," he said.

But other researchers argued that the work by Dr. Anderson and other mathematical modelers could encourage pessimism that the situation was hopeless. Dr. Anderson's findings are considered controversial by some AIDS researchers because they rely on assumptions about sexual behavior for which there is still only imprecise data, a situation the professor acknowledged. For example, his figures assume a high degree of sexual contact between older men, who tend to be infected, and younger women, who tend not to be. The infection of young women with HIV would send the population growth rate plummeting not only because the women die but also because their children have a 30 to 40 percent chance of being born with the virus, he said.

Dr. Anderson said that aside from alerting African countries to the demographic impact of AIDS, mathematical modeling was also useful for assessing how to best curb the rate of infection. Significant resources, Dr. Anderson said, should be directed toward inducing behavioral changes early. In Nigeria, for example, where the infection in the general population is still limited, education and condom distribution should be aimed at high-risk groups like prostitutes and their clients. But in countries like Malawi, Tanzania and Uganda, where there is wider distribution of HIV infection among the general population, it is probably "too late" to target already sexually active people, Dr. Anderson said. Rather, educators should focus on teenagers who are not yet sexually active.

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Halcion: How Statistics Are Tainted by Bias

By Malcolm Gladwell Washington Post Service

WASHINGTON — From the moment the best-selling sleeping pill Halcion was approved by the U.S. Food and Drug Administration a decade ago, complaints started pouring in. Some patients taking the drug were agitated. Some had feelings of hostility, confusion, delirium.

Compared with the next-most-popular sleeping medication, people on Halcion have been 42 times more likely to report to the FDA that they have had seizures, 34 times more likely to report suffering from amnesia and 13 times more likely to complain about depression.

Does that mean it is demonstrably unsafe? Not necessarily, thanks to one of the more perplexing phenomena in epidemiology: The number of complaints a drug attracts may have very little to do with how safe it actually is.

In part, that is because of the substantial — and, many experts say, underestimated — biases that govern when and how patients or doctors report problems, which can make a safe drug look dangerous and a dangerous drug look safe.

That is one reason why a special FDA panel rejected the arguments of a coalition of consumer groups, researchers and liability lawyers last month and reaffirmed Halcion is safe and effective.

"What happened to this drug is pharmacologic McCarthyism," said David Greenblatt, a researcher at Tufts University School of

Medicine, who has done extensive clinical research on Halcion.

Halcion's problems centered on something called the spontaneous reporting system, or SRS, run by the FDA. Every time a patient or a doctor or a drug company representative hears about an unusual or serious reaction to a specific drug, the FDA asks that it be reported to the SRS.

The point of the system is to pick up serious problems that may not have shown up when the drug was being tested before approval.

Six months after a Newsweek cover story, reported adverse reactions to the drug jumped 500 percent.

At its best, the SRS is an early-warning signal that something is amiss. But FDA officials and other drug experts stress that the system also has profound limitations.

First, it is voluntary; no one is obliged to report. As a result, FDA officials believe, the percentage of problems that get reported varies widely.

FDA research has shown, for example, that if a drug is aggressively marketed, it almost invariably will produce a greater number of reported side effects than less-aggressively marketed competitors.

Reporting rates also soar after news reports of problems with a drug. Patients are more likely to make an association between a particular problem and their medication, and doctors are far more likely to take the

association seriously enough to write the FDA.

Halcion has had markedly more adverse-reaction reports than its competitors. Between 1981 and 1991, for example, there were 35 adverse reactions reported per million prescriptions of Halcion vs. seven per million prescriptions for one of its main competitors, Restonil (known generically as temazepam).

But there were serious questions about whether the reporting rates for temazepam and Halcion were the same. Temazepam, for

member of the FDA panel, argues that because Halcion was considered the most effective sleeping pill by many psychiatrists, it was the one most often given to patients with the most serious problems.

Consequently, one might logically expect it to have a higher rate of reported side effects than less-popular pills given to other patients.

Then there is the issue of causation. Four of the main adverse reactions reported by patients taking Halcion are memory loss, irritation and argumentative behavior and depression.

But in a 1991 article in the Journal of Clinical Psychiatry, researchers polled patients suffering from insomnia and found that 60 percent complained of being irritated or annoyed, more than half complained of being depressed and 20 percent to 40 percent complained of having general trouble remembering — all before they took any sleeping medication.

Thus the panel had to ask itself: Was Halcion really causing these symptoms? Or were they already there?

Even more difficult to evaluate is the allegation — which underlies many of the hundreds of lawsuits filed against Halcion's maker, Upjohn Co. — that patients on Halcion were spurred to commit violent crimes.

The number of patients taking Halcion is so great — at its peak reaching 11 million prescriptions a year — that among them there will almost certainly be a large group of people who would have performed violent acts, some experts say.

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IN BRIEF A 'Chemical Clock' in the Shells of Snails NEW YORK (NYT) — A scientist has found a fast-ticking chemical clock in the shells of snails that promises to allow researchers to date deposits that are 350 years old or younger, sediments typically too recent for radiocarbon dating.

The Female Blue Tit: An Inconstant Lady WASHINGTON (WP) — Playing the field may have genetic benefits — at least for female color-ringed blue tits, according to a study of the birds in Nature.

'X' Marks the Spot of Likely Black Hole WASHINGTON (WP) — The Hubble Space Telescope has photographed an enormous jagged 'X' that marks the spot where scientists suspect a black hole lurks at the heart of a spiral galaxy 20 million light-years away.

Going Ducks' Backs At Least One Better WASHINGTON (WP) — Two scientists have discovered a way to counter gravity and make water run uphill, according to a report in the journal Science.

INTERNATIONAL By All the Other Russia Is a P... M... CURRENCY RATES... INTEREST RATES... GOLD

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INTERNATIONAL MANAGER

By All the Old Accounts, Russia Is a Profit Factory

By Louis Uchitelle

MOSCOW — Call on a store or a factory in Russia today and no matter how run-down it looks or how desperate its circumstances, the manager will probably declare that the enterprise is very profitable. But by all the rules of Russian accounting, that is the truth. But it is largely because those rules encourage managers to spend their profits on housing, food, day care, holiday retreats and numerous other amenities for workers.

When a U.S. company spends its money like that, the outlays are listed as costs. Those costs cause profits to shrink, owners to suffer and chief executives sometimes to be dismissed. But in a land where every state enterprise belonged in theory to the people, spending on benefits was — in the logic of Russian accounting — a distribution of profits to the worker-owners. This accounting standard persists, even as Russia makes the transition to private enterprise.

"You find that many companies have distributed more money than they have taken in, and they still declare a profit," said Richard Lewis, the chief of accounting at Ernst & Young's Moscow office. "I don't know how many managers are honest with themselves about this."

Thus, a shoe factory with 100 million rubles (\$1.1 million) in annual revenue might spend 60 million rubles on leather, nails, packing boxes and other production expenses, and 50 million rubles on worker benefits. Those benefits also include most of the wages paid to the workers, which means that wages are counted as distributed profits.

Westerners faced with the shoe factory's balance sheet would declare a 10 million ruble loss. But here the management, with the approval of the company's accountants, proudly declares a 40 percent profit margin — and scrambles to cover its cash shortfall. "They are not answerable to shareholders, and since they can't keep the profits for themselves, they have no reason not to spend the money on the workers," Mr. Lewis said. But reasons are beginning to appear.

UNTIL THE SOVIET UNION disintegrated, the central government covered the shoe factory's shortfall with what was in effect a direct subsidy. Now the subsidies are gone. Instead, the shoe factory must borrow, mainly from a newly formed commercial banking system. For a while, this borrowing was at giveaway interest rates. But lately, President Boris N. Yeltsin's government has forced up rates, in part to weed out companies that spend more than they take in.

Predictably, Russian accounting standards are beginning to change. The high cost of credit is one source of the pressure for change. Perhaps more important, companies are looking for ways to escape a 32 percent corporate profits tax enacted this year. One new rule allows a company to write off part of the cost of building a hospital or some other building or plant, if it is turned over to a municipal government, rather than kept by the company. But municipal officials must approve the percentage of the hospital's total cost that the company can write off. The rest must still appear on the books as distribution of profits.

Another new rule allows companies to quickly write off administrative costs. In the West, items such as rental costs for headquarters or executive expense accounts appear as costs when they occur. In Russia, these costs have hung in limbo until the products were sold. The shoe company, for example, might make 200,000 rubles worth of shoes in May, incurring 50,000 rubles in administrative costs. But the costs do not become deductible from profits until the shoes are sold, perhaps in December.

"Profits and costs fluctuate so much that it has been difficult to work out a company's rate of return," Mr. Lewis said. "The new rule permits the Western standard of immediate write-off."

Gloom Deepens In Japan

Nikkei at Lowest In Nearly 6 Years

By Paul Blustein

TOKYO — The stock market's plunge of 3 percent Wednesday — to its lowest level in nearly six years — reflected fear that Japan's recession is deepening and that recovery is further off than expected. The Nikkei stock average crashed through a low it hit on April 9 and finished the day at 16,445.80, down 507.73 points. That marked a disturbing departure from the pattern of the past couple of months, when the index seemed to stabilize at between 17,500 and 18,500.

In the last four trading days, the Nikkei has shed 7.1 percent. It stands at its lowest level since October 1986.

The major European stock markets also fell Wednesday, undermined in part by the slump in Tokyo.

Behind the wave of market pessimism in Japan is a series of recent government reports indicating that business conditions are deteriorating and that the economy may not regain its health until late this year or early in 1993.

Among the indicators is a Bank of Japan survey of executives, released Friday, showing confidence at the lowest level since 1987.

"The economy is decelerating still further," said Noboru Kawai, an economist with Morgan Stanley Japan. "We are heading below 1 percent annualized growth in the near future."

Tomoko Fujii, an economist at Salomon Brothers Asia, said, "People have to revise their economic forecasts downward, and they are doing so."

The latest developments are sure to increase pressure on the government to adopt a new package of stimulative spending measures. The United States and European countries are expected to press Tokyo to help boost world growth when the heads of the seven major industrial countries meet next month in Munich.

Japanese officials say privately that they have already decided to inject an emergency dose of fiscal stimulus, but a debate is continuing the amount and timing of the measures. The Finance Ministry is resisting calls for a package of public

See JAPAN, Page 12

C&W Confounds the Skeptics

Telephone Firm Reports 6% Profit Gain

By Erik Ipsen

LONDON — Cable & Wireless PLC, the big international telephone company that has had more than its share of management changes and regulatory reversals, surprised many skeptics on Wednesday. It announced a 22 percent profit in revenue for 1991 and posted pretax profit for the year of 2644 million (\$1.2 billion), a 6 percent gain.

"Considering how well we have done in the depths of the recession, I think we can face the future with confidence," said James Ross, the former British Petroleum Co. executive now 50 days deep into his career at Cable & Wireless's chief executive. Analysts were inclined to agree. "The results were encouraging," said Stephen Owen, an analyst with James Capel & Co.

Such sentiment is a switch. Shares in Cable & Wireless, which operates in more than 50 countries, have underperformed the London market in the last three months by more than 16 percent. Market jitters over the impact of pressures from regulators around the world to cut prices on international calls contributed much to the fading of the company's appeal.

"Cable & Wireless derives a disproportionate share of its income from international telephony, where, let's face it, inordinate profits are being made," said Evan Miller, an analyst with Lehman Brothers International.

Nowhere is that pressure more damaging to Cable & Wireless than in Hong Kong, where the company holds the majority stake in the local phone monopoly and where Cable & Wireless

derives the bulk of its profit. That company has regularly posted a return on equity of more than 45 percent, and recently reported that its 1991 operating profit had jumped by 23 percent.

Earlier this month, however, the Hong Kong government announced mandatory cuts in local and international call rates. The new pricing formula will mean that the price of very lucrative international calls will come down by 18 percent next year. But Mike Gale, Hongkong Telecom's chief executive, insisted Wednesday that the new pricing agreement was "a good one."

Some analysts are inclined to agree. Capel's Mr. Owen conceded the international call market is "a problem market," but he insisted it was a "nice problem." He cited the fact that it remains the fastest-growing segment of the business and predicted the decline in the costs of handling international calls are likely to outstrip whatever cuts regulators are likely to impose for the foreseeable future.

Cable & Wireless's shares rose sharply after the release of last year's results, as analysts also noted that the company's chairman, Lord Young, seemed intent on sticking to his downsizing of the company's ambitions.

"They are taking a more cautious and lower-risk approach by looking to exploit their existing investments," said Michael Armitage, an analyst with Morgan Stanley in London.

No longer is the company prepared to go it alone in building vast new networks. Partnerships are the preferred route of expansion. Lord Young pointed

See C&W, Page 13

Philips Plunges After Surprise Profit Revision

Compiled by Our Staff From Dispatches

AMSTERDAM — Just two years after it shocked markets with a profit collapse, Philips Electronics NV on Wednesday reversed a rosy forecast and warned that a depressed consumer-electronics market would cause a new fall in earnings.

Philips said it expected profit from continuing operations in the second quarter to fall substantially from 1991's 187 million guilders (\$105 million) and added that profit for the second-half could be cut as well.

The surprise announcement sent its shares spinning and options set a record for the most contracts traded on the European Options exchange with 45,735 contracts traded. Philips shares lost more than 18 percent of their value on the Amsterdam Stock Exchange, closing at 31.10 guilders, down from 38 guilders Tuesday accounting for more than half the volume on the exchange.

The profit warning indicated a serious setback to what had been portrayed as a financial turnaround under new management for Europe's largest consumer electronics manufacturer.

Philips said a weak electronics market was squeezing profit margins and burning earnings in the consumer products and components division.

"A better-than-planned performance in other divisions does not compensate sufficiently for the shortfall" in consumer electronics and components, it said. "Consequently, the second-quarter results will be substantially lower than last year's."

"Should the present trend in this segment continue in the second half of 1992, it is unlikely that a net profit from normal business operations equal to that of 1991 will be realized," the statement said.

Consumer products accounts for nearly half of Philips' worldwide sales. The statement did not contain any actual earnings figures. Second quarter results are due to be announced Aug. 6.

Wednesday's forecast had a

Olivetti's Sales Decline by 4%

Compiled by Our Staff From Dispatches

ROME — The chairman of Olivetti SPA, Carlo De Benedetti, said Wednesday that sales in the four months ended April 30 were 4 percent lower than the like period a year earlier.

He said although the volume of products sold increased, prices have fallen by 15 percent so far this year. Prices of personal computers, which account for 30 percent of sales, fell by 45 percent, Mr. De Benedetti said. "We never said we would make a profit in 1992. The object is to break even," he told a news conference.

Despite the decline in revenue, Mr. De Benedetti said Olivetti had done better than its major competitors in the first four months.

(AP, Reuters)

markedly different tone than President Jan Timmer's announcement in January that the company was clearly on a recovery course after multibillion-dollar losses in 1990.

As recently as May, Philips issued predictions of increased sales and earnings for 1992 following strong first-quarter results.

Mr. Timmer's predecessor, Coj van der Klugt, was forced to resign after he predicted modest 1990 earnings instead of warning shareholders of dramatic losses.

Wednesday's announcement was a shock. "The confidence in the company has been shaken," said Frans van Schaik, an analyst at Barclays de Zoete Wedd in Amsterdam.

Cherie Lee, an analyst at Banque Paribas Nederland, said the lower forecast will mean that small investors, who have "returned to Philips in their droves" will not be able to afford to maintain their investments in the electronics concern.

Mr. Lee said Philips should have taken the news to the market much earlier and said investors were getting a "raw deal."

(AP, Reuters, AFX)

2 Mirror Group Executives Resign

By Steven Prokesh

LONDON — The chairman and chief financial officer of Mirror Group Newspapers PLC, who were believed to have confronted Robert Maxwell when he spotted funds missing from his publishing empire, resigned Wednesday in a move analysts said could help put the company back on a normal footing.

While the investigation of the theft of funds from Maxwell companies and their pension funds is continuing, there has been no suggestion that either of the executives, Ernest Bunting and Lawrence K. Guest, is suspected of wrongdoing.

Analysts and one of the company's bankers said they saw the changes as preparation for putting Mirror Group, one of Britain's leading newspaper publishers and the flagship of the late Mr. Maxwell's empire, back on a normal footing. Mirror's board hopes trading will resume in its shares and uncertainty about its ownership will be resolved soon. But it is unclear if a government investigation of the company could cause delay.

Mirror Group has yet to release a financial report on how much damage Mr. Maxwell inflicted on the company. It has also reportedly been trying to complete negotiations with banks for financing.

Trading in its shares was suspended Dec. 2, when the vast dimensions of the scandal began to emerge. More than half of Mirror's shares may now be held by banks which had been given them as collateral for the debts of Mr. Maxwell's private companies. Control of Mirror Group, though, rests with court-appointed administrators for the private Maxwell companies.

The banker, who insisted on anonymity, said as far

as he knew the banks with shares had not forced the two executives to resign.

Mr. Bunting, 65, was named chairman on Dec. 3, after Robert Maxwell's son, Ian, stepped down less than a month after succeeding his late father. A long-time journalist and Mirror Group employee, Mr. Bunting had served as deputy chairman of Mirror Group since 1988 and was named joint managing director in 1991. He will continue to serve as a director.

Mr. Guest, the outgoing finance director, has served in that job since 1977. No replacement was announced. "They're preparing the ground by cutting the ties with the past," said the banker, whose institution holds Mirror Group shares. "When Bunting took the job, it was done as a stopgap. It's logical to go forward with a leadership completely unconnected with Maxwell. It's a new beginning."

The new chairman, Sir Robert A. Clark, has served as deputy chairman since December. He joined Mirror's board as an outside director shortly before it went public in the spring of 1991. A lawyer who had served as deputy chairman of TSB Group PLC and chairman of Hill Samuel Bank Ltd., Sir Robert is a prominent figure in the British business community.

Sir Robert praised Mr. Bunting's "vital" contribution, "particularly since the death of Robert Maxwell." He called Mr. Guest "a most loyal and committed member of the company."

The British newspapers published by Mirror Group include the Daily Mirror, a leading tabloid; its sister Scottish paper, the Daily Record; three Sunday papers and two racing papers.

CURRENCY RATES

Table with columns for Country, Currency, and Rate. Includes entries for Amsterdam, London, New York, Paris, Tokyo, Zurich, and ECU.

Other Dollar Values

Table with columns for Country, Currency, and Rate. Includes entries for Australia, Canada, Hong Kong, India, Japan, Korea, Malaysia, Singapore, Taiwan, and Thailand.

INTEREST RATES

Table with columns for Country, Term, and Rate. Includes entries for Eurocurrency deposits and Forward Rates.

Asian Dollar Deposits

Table with columns for Country, Term, and Rate. Includes entries for Hong Kong, Japan, Korea, Malaysia, Singapore, Taiwan, and Thailand.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and Yield. Includes entries for Merrill Lynch Ready Assets, Fidelity, and others.

Fed Finds A Broad Expansion

WASHINGTON — The U.S. economy is finally expanding broadly across industries and regions after weak performance for two years, the Federal Reserve System said Wednesday.

"Economic activity continues to improve" with factory output strengthening in all districts, the Fed said in its so-called Tan Book, a periodic report on the economy.

The report will form the basis for decisions on whether to push interest rates lower to stimulate the economy when the Federal Open Market Committee meets June 30 and July 1. The Fed policy panel will set its short-term position on rates for the ensuing weeks.

In its latest report, on May 6, the Fed saw economic growth as being uneven across regions and sectors.

Also on Wednesday, executives of major U.S. industries were reported as saying they were optimistic about business conditions in the third quarter, a sign that the economic recovery has taken hold in corporate America.

In its quarterly report on the outlook of 2,000 business executives in manufacturing, retailing, wholesaling and services, Dun & Bradstreet Corp. said, "Business expectations for higher third-quarter sales rose sharply above recession levels to their highest point in three years." (Bloomberg UPI)

U.S. Share Prices Tumble

NEW YORK — Stock prices tumbled sharply on the New York Stock Exchange Wednesday as worry over second-quarter earnings coupled with selling linked to Friday's options expirations sliced 1.25 percent off the Dow Jones industrial average. "Today's performance was rather pitiful," said Dick Stein, a vice president at MKI Securities. "People are somewhat fearful that earnings are not going to be good enough to support stock prices at these levels."

The Dow Jones industrial average, which plunged 25.41 points Tuesday, sank another 41.73 points to 3,287.76 — its lowest level in two months. Among the broad gauges, the New York Stock Exchange index fell 3.27 to 221.45 and Standard & Poor's 500-stock index dropped 6.06 to 402.26.

Declines overwhelmed advances by a 7-2 margin on the New York Stock Exchange, while adjusted volume amounted to 227.6 million shares, compared with 178.3 million Tuesday. "Some of the sell-off was tied to some options expirations," said See STOCKS, Page 12

Mexican Market Panics

MEXICO CITY — The Mexican stock index plummeted nearly 10 percent late Wednesday as panic spread through an exchange that last year boasted one of the world's highest growth rates. Brazilian stocks also plunged. "Everything is going down. There's panic and everyone is selling," a soured young trader said, rushing out of the Mexico City exchange.

In late trading, the index bottomed out at 1,526.90, down 166.04 points or 9.8 percent, its biggest drop in years. Dealers said that there had been no single factor moving the market, but that a number of recent sharp falls in the index had developed into a selling fever.

Trading was heaviest in stocks quoted both locally and on the New York markets, with the retailers Citra and Gigante and the soft drinks distributor Fems all off more than 14 percent. Wednesday's slump, which followed a decline of more than 7 percent earlier this week, was sparked by heavy selling of Telefonos de Mexico, both on the New York exchange and at home.

The market also plunged in Brazil, where the Bovespa index on the São Paulo exchange fell 8.9 percent as investors sold heavily amid



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Table with columns for Country/Currency, 12 months, 14 months, and 6 months. Lists various international currencies and their exchange rates.

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Page 12 MARKET DIARY

Dollar Ends Higher Ahead of Irish Vote

Compiled by Our Staff From Dispatches NEW YORK — The dollar finished higher Wednesday as trading calmed after a round of profit-taking ahead of Ireland's referendum Thursday on the European Community's economic and monetary union treaty.

Exchequer, reaffirmed Britain's commitment to the criteria of European monetary union and to putting sterling into the narrow bands of the present central rate of 2.95 DM. Analysts said the comments contained nothing new but caught the market in the mood to square up short sterling positions. The pound rose to 2.923 DM from 2.9145, though it finished at \$1.8565, down from \$1.8600.

STOCKS: Dow Loses 41 Points

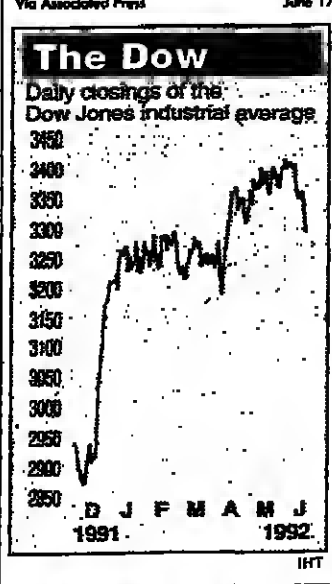
(Continued from first page) Dennis Jarrett, chief market strategist at Kidder Peabody. "But it was broad," he added, noting the 1.95 percent decline in the S&P 500 composite index.

Regenstein said the quarterly expansion of stock index options, individual stock options and index futures kept many would-be buyers sidelined. "It was just one thing after another," Mr. Brooks said. "There were an awful lot of real buyers who decided to keep their hands in their pockets."

JAPAN: Gloom on Stocks Deepens

(Continued from first page) works spending and tax cuts up to \$40 billion. A senior Finance Ministry official lashed out Wednesday at the Japanese press for overemphasizing the economy's weaknesses and playing down its strengths.

The official was apparently angered by the way the press reported Tuesday's announcement that the economy expanded at a 4.3 percent annual rate in the quarter that ended March 31. Most articles depicted the high growth figure as mainly a statistical quirk.



Daily closings of the Dow Jones Industrial average.

Table with columns: NYSE Most Active, Vol., High, Low, Last, Chg. Lists top trading stocks like Telcel, Intel, and Microsoft.

Table with columns: AMEX Most Active, Vol., High, Low, Last, Chg. Lists top trading stocks like Intel, Microsoft, and Sun.

Table with columns: NYSE Diary, Class, Prev., Change. Lists various stock classes and their performance.

Table with columns: Amex Diary, Class, Prev., Change. Lists Amex stock classes and their performance.

Table with columns: NASDAQ Diary, Class, Prev., Change. Lists NASDAQ stock classes and their performance.

Dow Jones Averages table showing Open, High, Low, Last, and Change for Industrial, Chemical, and Utility indices.

Standard & Poor's Indexes table showing High, Low, Close, and Change for Industrial, Chemical, and Utility indices.

NYSE Indexes table showing High, Low, Close, and Change for Composite, Industrial, Chemical, and Utility indices.

NASDAQ Indexes table showing High, Low, Close, and Change for Composite, Industrial, Chemical, and Utility indices.

AMEX Stock Index table showing High, Low, Close, and Change for Composite, Industrial, Chemical, and Utility indices.

Dow Jones Bond Averages table showing Class, C/Y, and Change for 30 Bonds, 10 Industrials, and 10 Utilities.

Market Sales table showing NYSE 4 a.m. volume, AMEX 4 a.m. volume, and NASDAQ 4 a.m. volume.

AMEX Most Active table showing Vol., High, Low, Last, and Change for top trading stocks.

NYSE Most Active table showing Vol., High, Low, Last, and Change for top trading stocks.

NYSE Diary table showing Class, Prev., and Change for various stock classes.

Amex Diary table showing Class, Prev., and Change for Amex stock classes.

NASDAQ Diary table showing Class, Prev., and Change for NASDAQ stock classes.

S&P 100 Index Options table showing Price, Bid, Ask, and Change for various options.

EUROPEAN FUTURES table showing Class, High, Low, Prev., and Close for various futures contracts.

Food table showing SUGAR (POK) and COCOA (POK) prices.

Metals table showing ALUMINUM (High Grade) and COPPER CATHODES (High Grade) prices.

Grains table showing WHEAT (CBT) and SOYBEAN MEAL (CBT) prices.

Oil table showing BRENT CRUDE OIL (ICE) and NYMEX CRUDE OIL (NYMEX) prices.

Stocks table showing S&P 500, NYSE, and AMEX indices.

Commodities table showing various commodity prices.

Dividends table showing Company, Dividend, and Yield.

Stock Splits table showing Company and Split Ratio.

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U.S. FUTURES table showing Season, High, Low, Open, High, Low, Close, and Change for various futures contracts.

Grains table showing WHEAT (CBT) and SOYBEAN MEAL (CBT) prices.

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U.S. / AT THE CLOSE

AMR Predicts 'Almost Certain' Loss FORT WORTH, Texas (UPI) — AMR Corp., parent of American Airlines, blaming higher fuel prices and fare wars, announced Wednesday that it "will almost certainly" post a loss for the second quarter of 1992.

Productivity Increases 2.7% in U.S. WASHINGTON (AP) — Productivity of American workers jumped 2.7 percent during the first quarter of 1992, the largest increase in nearly two years, the government said Wednesday.

J. P. Morgan Underwrites Offering NEW YORK (Bloomberg) — J. P. Morgan Securities Inc. has become the first U.S. bank to take the lead role in a stock offering since the Depression by becoming the lead underwriter of Riverwood International Corp.'s initial public offering.

McDonnell Trims F-15 Work Force ST. LOUIS, Missouri (Bloomberg) — McDonnell Douglas Corp. said Wednesday that 122 workers on the F-15 Eagle fighter program at McDonnell Aircraft Co. here would be laid off Friday.

Saatchi Sells U.S. Public Opinion Firm LONDON (AP) — Saatchi & Saatchi Co., the advertising and marketing services conglomerate, said Wednesday it had sold its Yankelovich Skelly White-Clancy Shuman Inc. unit to a private investor group.

For the Record American Express Co., as part of its aim to boost its travel card business, announced a joint venture with Banco Santander of Spain to market co-brand cards in the Spanish market.

Upholstery Co. said Wednesday it was offering early retirement packages to 1,100 workers in the United States to offset an expected drop in earnings for the second quarter.

International Business Machines Corp. said Wednesday it hoped to generate about \$500 million in new annual revenues from selling its computer chips to other companies.

A judge has set for Monday in New York a hearing on a bid by the religious broadcaster Pat Robertson to acquire United Press International's name and some other assets of the news service for \$500,000.

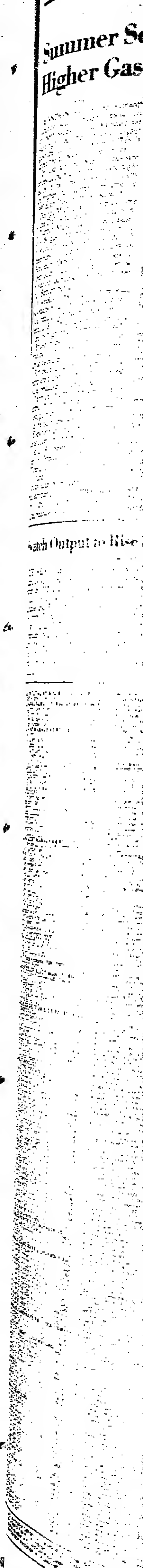
WORLD STOCK MARKETS

Table of World Stock Markets showing various indices and stock prices for Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and other cities.

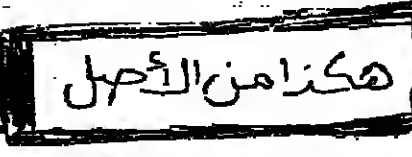
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Summer Season Brings Higher Gasoline Prices

LONDON — As the summer vacation season begins, motorists on both sides of the Atlantic are starting to feel the impact of higher gasoline costs following OPEC's latest bid to boost crude prices.

In the United States, gasoline prices at the pump are at their highest in 16 months. In Britain, prices are higher than during the crisis in 1990 after Iraq invaded Kuwait.

George Michalski, vice president of the Dallas-based consulting firm of Turner, Mason & Co., said higher U.S. gasoline prices reflected a production accord among the 13 members of the Organization of Petroleum Exporting Countries to keep output quotas slightly below projected demand for oil in the July-September quarter.

A weekly American Automobile Association survey showed self-service regular unleaded gas up 1.1 cents, at \$1.176 a gallon (31 cents a liter), high since February 1991.

British prices last week took the price per liter of oil favored premium unleaded gas to 53.9 pence (51 pence).

European gasoline prices at the pump are higher than in the United States because of taxation. German pump prices have ranged from 134 pfennig to 139 pfennig a liter (86 cents to 89 cents) over the past few weeks.

Elsewhere among typical holiday destinations, pump prices in Spain stood at 96 pesetas (97 cents) a liter; in Greece, at 147 drachmas (77 cents) a liter, and in France, at 531 francs (\$1.01) a liter.

In another development, the annual summer sale of European gasoline to the United States could be halted because of new U.S. environmental legislation, industry analysts told a conference in Hamburg.

European gasoline traditionally has been sold across the Atlantic every spring and summer as U.S. demand rises beyond the capacity of domestic refineries.

The U.S. law will change gasoline specifications in many parts of the United States, making them incompatible with European grades.

Banesto Raises Stake For Joint TV Control

MADRID — Banco Español de Credito SA said Wednesday that it planned to raise its stake in Antena 3 de Television SA to about 25 percent from 17 percent to control the Spanish television channel jointly with the publishers Report Murdock and Antonio Asensio.

The two publishers have recently jointly acquired about 25 percent in the company. A Banesto spokesman said the bank had identified a number of small shareholders in Antena 3 TV who were willing to sell their stakes to Banesto to allow it to increase its holding to the maximum 25 percent permitted under Spanish law.

The Banesto spokesman said the group formed by Banesto, Mr. Asensio and Mr. Murdoch might also seek to acquire a stake in Antena 3 de Radio SA, which is majority-owned by the Godo group.

According to Spanish press reports, Mr. Murdoch and Mr. Asensio's joint company, Revivir, acquired its stake in Antena 3 from a number of minority shareholders, including the Spanish investors Juan Abello and Heriberto Gut and foreign institutional investors.

Mr. Murdoch and Mr. Asensio failed in a joint bid to win one of the three private television operating licenses awarded by the Spanish government in 1989. Mr. Asensio is president of the publishing concern Zeta, of which Mr. Murdoch is also a shareholder.

Changes in the shareholdings of private television channels are subject to government approval. On Tuesday, Banesto denied it planned to sell its stake in the construction company Agrom SA.

Market rumors that Banesto's holding company would sell its 54 percent interest in the builder boosted Agrom shares. The stock closed at 1,060 pesetas (\$70), up 70 pesetas, on the Madrid bourse.

Lord Young's newfound penchant for partnerships has already begun to pay off in Britain, where Cable & Wireless competes with British Telecom in both the residential and business markets via its Mercury unit.

Mercury is signing up new residential customers at the rate of 15,000 a month, a third of those through arrangements with local cable television operators to provide their customers with phone service by the same bookup.

By giving British Telecom a very tight price cap it is going to make them more aggressive, and clearly more sensitive to losses in market share," said James Golob of S.G. Warburg.

Many observers credit Cable & Wireless with one great advantage over most of its competitors in Britain and abroad — its emphasis on marketing.

Danish Insurer Faces Crunch Hafnia to Sell Stock and Assets to Raise Cash

LONDON — Hafnia Holding AS said Wednesday that it is aiming to ward off an imminent cash-flow crisis with a 2 billion kroner (330 million) stock offering to current shareholders and possible asset sales.

The Danish insurer said it needs to boost its share capital because its stock and investments have been battered since Danish voters rejected European monetary union in a referendum June 2.

On Wednesday, Hafnia A shares dropped 40 kroner to 130, while its B shares fell 17 kroner, to 95. Hafnia shares have dropped 317 kroner, or 46 percent, since the beginning of April.

Based on current prices, Hafnia's stakes in Balica Holdings AS and Skandia International Holdings have dropped 750 million kroner since April 1, excluding funding expenses of about 150 million kroner. Shareholders' equity, or assets minus liabilities, as of June 16 is expected to total about 400 million kroner, compared with about 4.6 billion at the end of 1990.

Possible asset sales include Hafnia's 34 percent stake in rival insurer Balica and its 14 percent stake in Skandia. Hafnia spokesmen were not available for further comment on the share offering or asset plans.

A plunge in Balica's share price Wednesday wiped out even more of the Balica stake's value. Balica dropped 90 kroner, to 440. Analysts said Hafnia's survival depends on whether investors support the stock offering. The insurer's solvency margin, or core risk capital as a percentage of premiums, is considerably below the danger level of 40 percent, said an analyst at BNP Paribas, Angus Runciman.

"It's really make or break time for the company," Mr. Runciman said. "There's not sufficient capital inside Hafnia now to enable it to continue underwriting the same volume of business."

Hafnia's major institutional shareholders, including Paribas, Union des Assurances de Paris and LD Fund, in April voted to reject Skandia AB's takeover bid for Hafnia.

Meanwhile, Hafnia has reached agreement with its bankers to prolong its short-term credit facilities for a "considerable" period. Hafnia said this will give it time to build up the necessary liquidity and plan for developments.

In its rights issue, Hafnia will offer one new share for every two A and B shares held. The offer, for 19 million shares, is expected to raise about 2 billion kroner, 500 million more than Hafnia announced in May. The nominal value of both types of shares will be 100 kroner.

The share offering was underwritten by Dea Danske Bank, Paribas Ltd., Bjornskov & Co. and Sparakassen Bikuben. The new shares will be listed on the Copenhagen Stock Exchange July 2.

Hafnia had a loss of 1.65 billion kroner in the first quarter of this year. (Bloomberg, Reuters)

Analysts said Hafnia's survival depends on whether investors support the stock offering. The insurer's solvency margin, or core risk capital as a percentage of premiums, is considerably below the danger level of 40 percent, said an analyst at BNP Paribas, Angus Runciman.

Table titled 'Investor's Europe' showing stock indices for Frankfurt, London, Paris, Amsterdam, Brussels, Frankfurt, Helsinki, London, Madrid, Milan, Paris, Stockholm, Vienna, and Zurich. Includes a line graph showing index trends from 1989 to 1992.

Very briefly:

- Dutch unemployment declined to an average of 4.2 percent in the three months from March to May, down from 4.4 percent in February to April.
Booker PLC said it bought a fish-processing plant in Grimsby, England, from the Nestlé SA unit Finishes for an undisclosed price.
Beiersdorf AG, the German cosmetics and medical company, said group sales in the first five months of 1992 rose 5 percent, to about 2 billion Deutsche marks (\$1.3 billion).

Swatch Output to Rise 50% in 1992

BIENNE, Switzerland — Société Suisse de Microélectronique & d'Horlogerie SA said Wednesday it aims to lift output of Swatch watches by 50 percent in 1992 after a production increase of 42 percent in 1991.

Sales of SMH watches and timepieces, which also include the Omega Longines and Rado brands, rose 34.1 percent, to 77.5 million units in 1991, from 57.8 million a year earlier. The average sale price per unit was 25 Swiss francs (\$17.67) last year, down from 29 francs in 1990.

President Nicolas Hayek said in the company's annual report that despite the Gulf War, 1991 was its and the Swiss watch industry's best year ever. SMH's 1991 consolidated net profit rose to 252 million Swiss francs from 191 million, while sales grew to 2.373 billion from 2.139 billion.

C&W: The Skeptics Confounded

(Continued from first finance page)
out that the company already works with the likes of US West in Britain and BellSouth in Australia. He stressed that there would be more cooperation along similar lines.

"We are talking with just about everyone," he said. He did, however, say that an alliance with just one company around the world, an alliance that the company had reportedly earlier explored with AT&T, was "not relevant" now.

Lord Young's newfound penchant for partnerships has already begun to pay off in Britain, where Cable & Wireless competes with British Telecom in both the residential and business markets via its Mercury unit.

Mercury is signing up new residential customers at the rate of 15,000 a month, a third of those through arrangements with local cable television operators to provide their customers with phone service by the same bookup.

By giving British Telecom a very tight price cap it is going to make them more aggressive, and clearly more sensitive to losses in market share," said James Golob of S.G. Warburg.

Many observers credit Cable & Wireless with one great advantage over most of its competitors in Britain and abroad — its emphasis on marketing.

"It is no longer enough to build networks and hope customers run to your door; you have to know how to fill up that capacity," said Mr. Miller of Lehman Brothers.

Cable & Wireless rose Wednesday on the London Stock Exchange to 563 pence (\$10.45), up from 537 pence at the close on Tuesday.

U.K. Data Show Modest Gains in Sales and Output

LONDON — The British economy's slow rise from recession continued last month, data showed Wednesday, as retail sales rose by 0.3 percent and manufacturing output managed a 0.2 percent gain.

The figures show we are past the worst," said Gerard Lyons, economist for DKB International. But he added that it was worrying that an expected rebound in consumer spending had not occurred.

The Treasury noted that, small though the gain in retail sales may have looked, it still marked the second monthly climb in a row.

But an economist with Bankers Trust, Ian Amstard, noted that retail sales over the last three months have been flat, compared with the previous three months.

Consumer demand remains weak, as shown in the decline for sales of household goods in May.

Large table titled 'INTERNATIONAL FUNDS' listing various investment funds with columns for fund names, currencies, and other details. Includes sub-sections for 'Other Funds' and 'TO OUR READERS IN HOLLAND'.





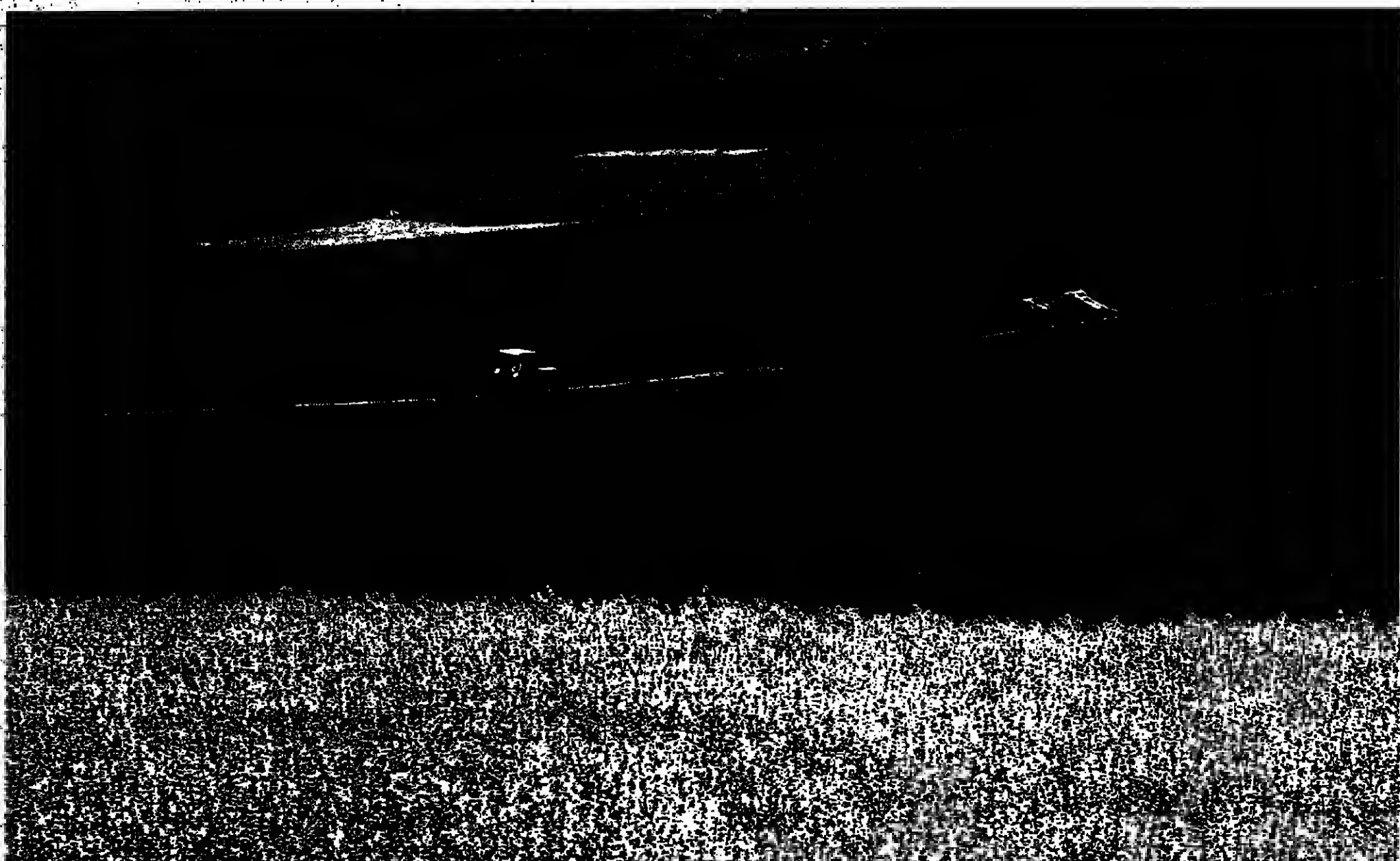


AMEX

Wednesday's Closing Tables include the nationwide closing prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Financial market data tables including AMEX, NYSE, and NASDAQ listings with columns for stock symbols, prices, and volume.

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# SPORTS BASEBALL

## Jays Fall to Tigers On Tettleton Blast

The Associated Press  
The Detroit Tigers have hit a major-league leading 85 home runs this season, but Mickey Tettleton's blast was different: It won a game.

Tettleton's two-run shot in the sixth inning capped a three-run rally Tuesday night that gave Detroit its third straight victory, a 4-3 decision over the American League East-leading Blue Jays in Toronto.

### AMERICAN LEAGUE

Toronto remained a half-game ahead of Baltimore in the torrid race as the Orioles lost to Cleveland.

"We haven't hit many like that — to win games," said the Tigers' manager, Sparky Anderson.

The inning began with Travis Fryman's leadoff double. Cecil Fielder followed with a one-hop RBI single that made it 2-2.

Tettleton then connected on a 2-pitch from Jimmy Key, driving his 15th homer of the season into the second deck in left field.

The homer was the first given up by Key in 32 1/2 innings.

Devon White, who was two for three with two RBIs, homered in the eighth for Toronto's final run. He had tripled in the first, then scored, and drove in a run with a sacrifice fly in the fifth.

Indians 7, Orioles 6: In Cleveland, rookie Kenny Lofton got four hits, stole two bases, scored the go-ahead run on a squeeze bunt and the sixth on reliever Mike Flanagan's wild throw to first after fielding a bunt as the Indians finally beat Baltimore's Ben McDonald.

McDonald, who had pitched shutouts in both his previous starts against Cleveland, lasted 6 1/2 innings, allowing five runs and eight hits.

Royals 7, Twins 5: Mike MacFarlane and Brian McRae hit consecutive home runs in the sixth, Kansas City's first homers in seven games, as visiting Kansas City beat Minnesota.

Red Sox 4, Yankees 3: Ellis Burks' bases-loaded single in the 10th in Boston lifted the Red Sox past New York.

Greg Cadaret walked Jody Reed and hit Wade Boggs with a pitch. John Habyan then struck out Jack Clark for the second out but walked Phil Plantier and Burks hit a sinking liner to right, which fell in front of a diving Dion James.

The Yankees scored twice in the ninth off Jeff Reardon, who broke the career save record with his 342d against them Monday night. But Plantier's homer off Steve Furr made it 3-3 in the bottom of the ninth.

Brewers 10, Athletics 0: Paul Molitor scored four runs and Ron Robinson won for the first time since 1990 as Milwaukee, which has scored 34 runs in its last four games, won in Oakland.

Robinson pitched seven shutout innings in his third start of the season, giving up three hits. He won for the first time since shutting out Toronto on Sept. 26, 1990.

Molitor went two for four with a double, while B.J. Surhoff and Darryl Hamilton each doubled, scored a run and had two RBIs.

The Athletics had a season-high four errors and were held hitless after the fourth inning.

Angels 4, Rangers 1: Ron Tingley hit a two-run homer and Bert Blyleven got his 282d victory by holding Texas to two hits over six innings in Anaheim, California.

Blyleven, a 41-year-old right-hander who underwent major shoulder surgery after the 1990 season and missed all last year, struck out seven and walked two.

Mariners 9, White Sox 6: Jay Buhner's two-run triple, Tino Martinez's two-run homer and Edgar Martinez's two-run double in the eighth in Seattle overcame Chicago.

Chicago had led, 5-0, on Ron Karkovic's homer and Steve Sax's second grand slam in the majors.

Howe Appeals Ruling  
An arbitrator has asked Commissioner Fay Vincent to set a definite timetable on the suspension of the Yankees' reliever, Steve Howe. The Associated Press reported from New York.

Howe, suspended indefinitely last week after pleading guilty to attempted possession of cocaine, presented his appeal Tuesday to an arbitrator, George Nicolaou.

Nicolaou gave the parties until Wednesday for further discussion.



Ryne Sandberg bobbled the ball as Milt Thompson stole second, but won the game for the Cubs.

## Belliard Hits Winner in 9th

The Associated Press  
Rafael Belliard stepped to the plate in the ninth inning with a borrowed bat and a 0-for-10 mark against Roger McDowell.

He left with his first game-winning hit in the ninth.

The light-hitting Belliard, in his eighth major-league season, capped a 47-minute inning with his bases-loaded, two-out single Tuesday night to give Atlanta a 9-8 victory over the visiting Los Angeles Dodgers after the Braves blew a four-run lead in the top of the ninth.

Belliard's ground-ball single to center came off McDowell's first pitch and enabled the Braves to win their season-high sixth straight and 15th in 17 games.

"Everybody's got to have a first time and I got mine tonight," Belliard said.

It was also his first game-winner in that situation.

"I never have the opportunity," Belliard said. "Usually they pinch hit for me. It's time for the big guys, the good hitters."

Atlanta's manager, Bobby Cox, however, had already used Jeff Blauser, the Braves' other shortstop, so he stayed with Belliard.

The Braves had what seemed an easy victory in hand entering the ninth with a 7-3 lead. But the Dodgers scored five runs, with Eric Karros's two-run homer off Juan Berenguer giving Los Angeles an 8-7 lead.

### NATIONAL LEAGUE

Reds 5, Giants 3: In Cincinnati, Hal Morris's two-run homer in the sixth offset Cory Snyder's two homers for San Francisco.

Morris pulled the first pitch from reliever Bryan Hickerson for his first homer of the season, breaking a 3-3 tie. Jose Rijo, who struck out 10 in six innings, also doubled and scored a run.

Met 5, Expos 2: David Cone, questionable because of a sprained right ankle, pitched a three-hitter in New York for his sixth complete game. With the score 2-2, he led off the fifth against Montreal with a double and two outs later scored on Bobby Bonilla's single.

Chiefs 2, Cardinals 1: Ryne Sandberg, who tripled and scored the tying run in the fourth, homered in the sixth to help beat visiting St. Louis as Chicago woo its sixth straight.

Astros 11, Padres 0: Brian Williams pitched six shutout innings in Houston for his first major-league victory and hit a two-run double during the rout of San Diego. The Astros got a season-high 15 hits, including catcher Scooter Tucker's first three in the major leagues.

Pirates 6, Phillies 5: Mike LaValiere singled in the game-winning run in the 12th as Pittsburgh's bullpen twice blew two-run leads, then shut out visiting Philadelphia for the final five innings.

Jay Bell's homer made it 5-5 in the seventh after Mariano Duncan's three-run shot in the top of the inning put Philadelphia ahead.

## A Hot Faldo Up for U.S. Open

After Retooling His Game, Briton Eyes Pebble Beach  
By Leonard Shapiro  
Washington Post Service

PEBBLE BEACH, California — One of the hottest golfers in the world has come here to one of the planet's more magnificent courses this week. He is intent on taking full advantage of all the hard work he has put into his game over the last six months, retooling his swing and his psyche for a run at a championship he says is "a priority, priority No. 1."

Britain's Nick Faldo arrived last Thursday to practice on this storied course winding along the Monterey Peninsula's bluffs. He will have played five tune-up rounds before the start of the 92d U.S. Open on Thursday. He says his game and his spirits are soaring going into the season's second major championship.

Faldo, occasionally criticized for his almost-robotic approach to the game, began a significant overhaul of his swing last September. He says he wants a more "natural" look, even though his old approach has won him two Masters and two British Opens since 1987. He lost a playoff in the Open to Curtis Strange in 1988 and finished third two years ago. He is ranked No. 2 in the world behind Fred Couples, who has missed the cut in his last two events. Couples is trying to add an Open title to the Masters he won at Augusta in April.

The people who have seen Faldo in action over the last few weeks say he is playing well enough to win. Jack Nicklaus and Tom Watson, both Open winners at Pebble Beach, list him among their favorites. Faldo, frequently a dour, unemotional chap, seemed ebullient as he talked about his game and a course he described as "the best U.S. Open course I've ever played."

"I think it's great, and that's g-r-e-a-t," he added. "Certainly the same could be said for the state of Faldo's game. In a five-week stretch from May 7 to June 7, he had five straight top-10 finishes on the European Tour, with second in the Spanish Open on May 17 and a victory in the Irish Open two weeks ago."

Now he is aiming to become the first European player to win an Open since his countryman Tony Jacklin prevailed in Hazletine in 1970. Australia's David Graham won the Open at Mexico in 1981, the last foreigner to win America's national championship, but both Graham and Jacklin won this event after they had moved to the United States and were regulars on the U.S. tour.

Faldo has taken a different approach, concentrating his efforts on the European circuit with the exception of the U.S. majors and a few select events on the PGA Tour every year. He is one of only 12 foreign players here in the field of 156, one of the reasons, he said, that non-Americans have had such poor success in the Open over the years.

"It's the numbers," he said. "You have 40 guys exempt for the British Open; that's why it's four times tougher for us to win here. It took me until 1983 to be exempt here and I had to win the Order of Merit — the European money title — to do it. But this is a little more of a European-style course. There's more atmosphere, more character to the course. I think we'll have a chance here."

And Woosnam's comments? "That's his opinion," Watson said. "I can understand why he says that about the seventh. Maybe he hasn't played it in a 35-mile-an-hour wind. I've hit 5-irons there twice."



Britain's Howard Clark took a shot Pebble Beach's ninth hole during practice on Tuesday.

courses better than this." Of the famed 107-yard seventh with a precipitous drop to the ocean behind the tightly trapped green, he said, "I couldn't believe it. I thought it was a mere practice hole."

But Nicklaus and Watson were both rapturous about Pebble Beach.

"The golf course is relatively difficult at this point, and I think that's great," said Nicklaus, who has consulted in the general restoration of the course in the last year. "I love Pebble any way you play it. Watson also spoke glowingly of the course. "I have a great affinity for this place," he said. "I've lived on the golf course for so many years, Stanford, the Crosby, the AT&T, that's one of my favorite tournaments."

And Woosnam's comments? "That's his opinion," Watson said. "I can understand why he says that about the seventh. Maybe he hasn't played it in a 35-mile-an-hour wind. I've hit 5-irons there twice."

## BOOKS

### DOUBLE DEUCE

By Robert B. Parker. 224 pages. \$19.95. G. P. Putnam's Sons, 200 Madison Avenue, New York, New York 10016.

### ALL AROUND THE TOWN

By Mary Higgins Clark. 302 pages. \$22. Simon & Schuster, 1230 Avenue of the Americas, New York, New York 10020.

### Reviewed by Christopher Lehmann-Haupt

NEEDLESS to say, the action in Robert B. Parker's latest Spenser thriller is spare, fast-paced and exciting. But "Double Deuce" is about relations between the sexes as much as anything else. So one might as well describe its plot in terms of three significant developments.

In the first, someone shoots and kills a 14-year-old girl and her baby in front of a Boston housing project whose address is 22 Hobart Street (hence the title). In the second, a television reporter named Jackie Raines joins Spenser and his sidekick, the imperturbable Hawk, in their search for the suspected killers among the youth gangs that terrorize the project. And in the third development, Spenser's friend and lover, Susan Silverman, asks Spenser to move in with her.

These three developments lend Parker's story its unity. The shooting draws Spenser and Hawk into the ghetto and gives them an opening to understand the psychology of youth gangs.

Jackie Raines's inability to get Hawk to reciprocate her growing interest in him illustrates the price that growing up in the ghetto can exact.

The only difficult thing to explain is the point of the Spenser-Susan experiment in domesticity. True, it offers comic relief and serves to economize on scene-shifting. But it also sets a limit to how much of the shell of this hard-boiled detective is going to be stripped away.

The elegance of Parker's plotting is brought into sharper relief by Mary Higgins Clark's latest thriller, "All Around the Town." In it she poses an interesting problem suggested by contemporary psychiatry: If a person suffering from multiple personality disorder were to commit a murder, how would one resolve the questions of responsibility and guilt, and whom would one punish?

Clark sets up the problem neatly enough. Four-year-old Laurie Kenyon is kidnapped by a man and his wife who sexually abuse her for two years and then return her to her family having convinced her that if she ever tells she will suffer the fate of a chicken they once decapitated in her presence.

Time passes. Laurie grows up and goes off to college. A favorite professor starts receiving mash notes written on a type-

## BRIDGE

### By Alan Truscott

THE diagramed deal had a most unusual feature: the play of a single-suit combination swung six tricks. At both tables three o-o-trump was reached, by the rapid route shown and West led the spade deuce. South captured East's queen with the king and thought about the diamond suit.

South would be satisfied with six tricks. He must finesse in some way, and we can assume that East will not take the risk of holding up with a double-oo king.

The declarer for the winning team finessed the queen, and was rewarded when the jack appeared. He returned to the closed hand with a club lead, finessed the queen and made 11 tricks for a score of 460.

The other declarer began by finessing the ten. But when he lost to the jack he guessed wrong by putting up the ace on the next round of diamonds, and his contract was down four tricks.

There was a subtle clue that could have guided him on the second round: West had apparently led a four-card suit, and was slightly more likely to have three diamonds than two. If he began with four spades and two diamonds, he might well have had a five-card suit available in hearts or clubs.

WEST  
♦ J 9 5 2  
♥ K 9 3  
♦ K 9 2  
♣ Q 6 5

EAST  
♦ Q 10 7  
♥ A J 10 4  
♦ 3  
♣ 10 8 7 3

SOUTH (D)  
♥ A K 6 3  
♦ Q 8 7 6  
♥ 7 5  
♣ A K 2

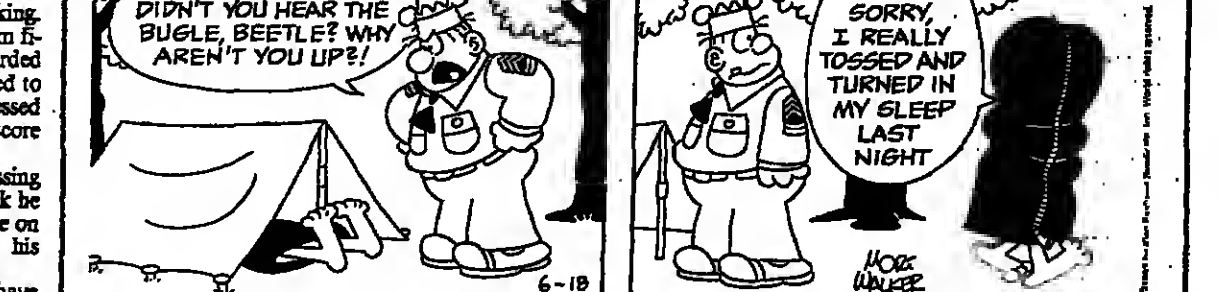
Neither side was vulnerable. The bidding: South West North East 1 N.T. Pass 3 N.T. Pass Pass

West led the spade two.

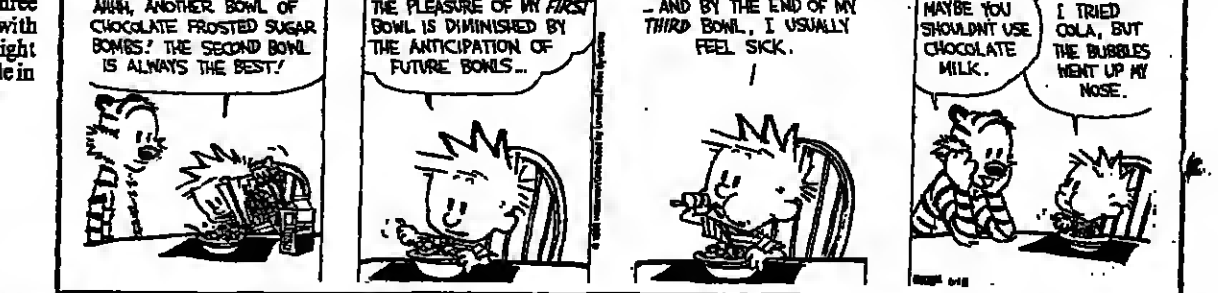
## PEANUTS



## BEEBLE BAILEY



## CALVIN AND HOBBES



## WIZARD OF ID



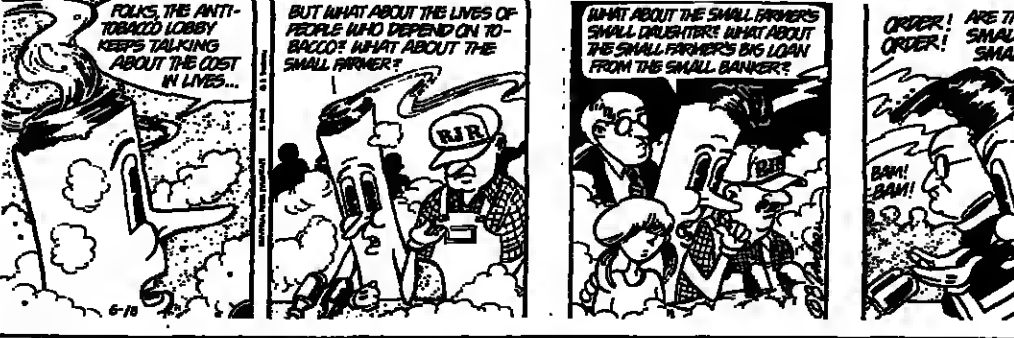
## REX MORGAN



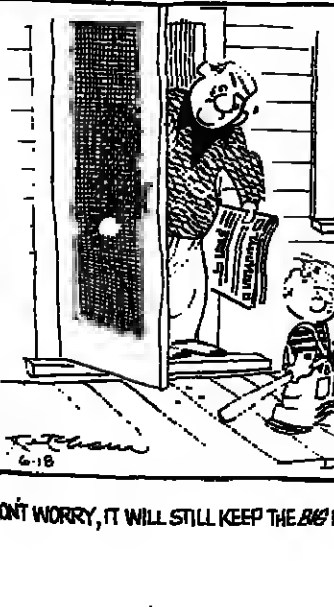
## GARFIELD



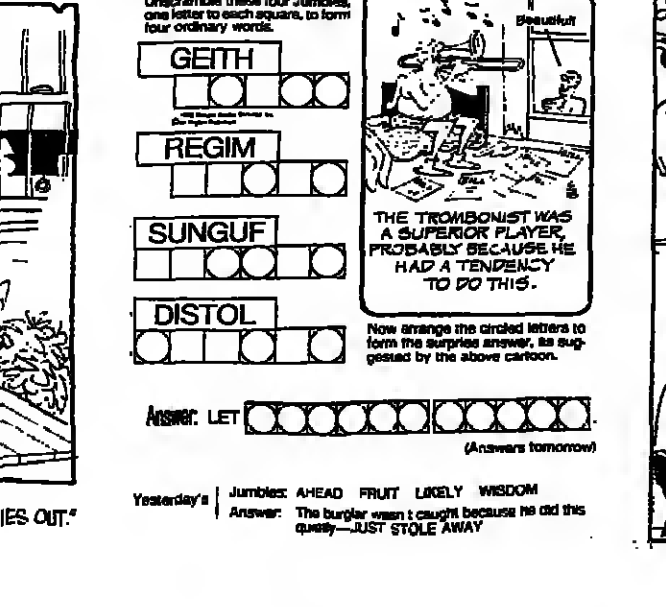
## DOONESBURY



## DENNIS THE MENACE



## JUMBLE



## BLONDIE



SPC

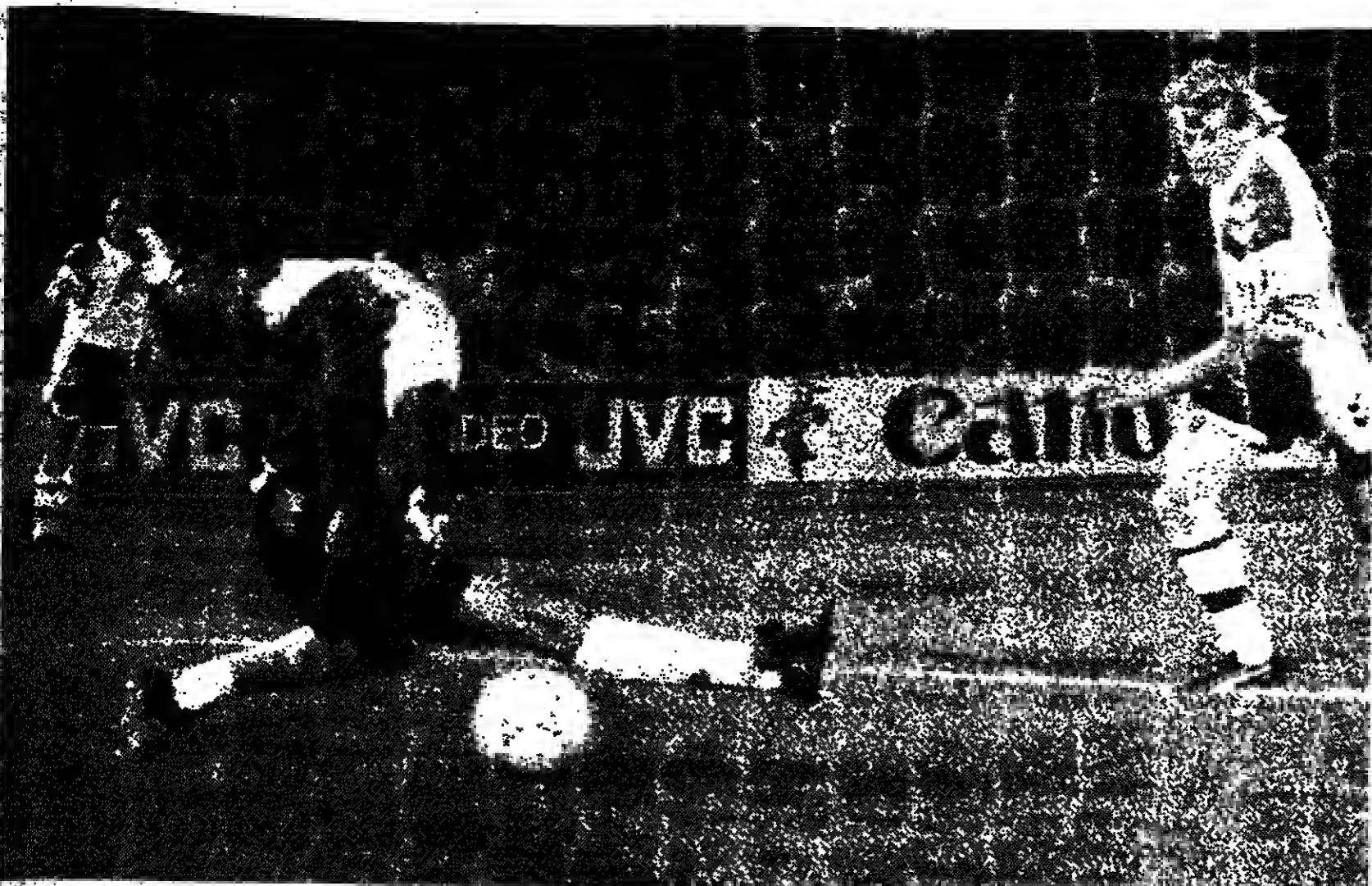
3d Time's a Bulls Prom

SCOREBOARD

FEEL



SPORTS EURO 92



Lars Estrup sees his shot go past French goalie Bruno Martini into the net, scoring the winning goal for Denmark with 13 minutes to play in the match in Malmo, Sweden.

Sweden Stuns England, 2-1, Advancing to Semis

By Rob Hughes International Herald Tribune STOCKHOLM — The European Championship exploded into life on all fronts Wednesday night. In Stockholm, the Swedes gave England a tremendous chasing and a 2-1 hiding that sent England and its unwanted followers back home, out of the tournament.

Beating England on the ground, in the air and in the hearts, Sweden deservedly finished atop Group 1 and assured itself of a semifinal in Stockholm on Sunday. And the fireworks that went up in the night sky celebrated a double Scandinavian victory because of Denmark's routing of the French down in Malmo.

What a night. What a sting. Those who suspect nothing fiery beats under the Swedish calm were in for a mighty surprise. The host team had conceded a shock early goal to England but then produced a second half bombardment of courage, directness and swiftness that out-did the English at their own game.

"We found the second half very difficult to cope with," acknowledged England's manager, Graham Taylor. "The Swedes raised their game, they played a typical English-style long-ball style, by-passing midfield and hitting us with tremendous speed. And their second goal was, I have to admit, a wonderful goal."

Yet from the fourth minute, England rocked Sweden. Neil Webb began a move down the right, David Platt sprouted and won the ball, Gary Lineker chipped it across the goalmouth.

At that crucial moment the Swedish captain, Jonas Thern, missed a headed attempt to clear and David Platt, quick as a lizard, darted in behind him to score with a volley that although not cleanly struck bounced in.

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The Standings

Table showing European Championship standings after two matches. Groups 1 and 2 are listed with teams and their records (W, D, L, Goals For, Goals Against, Points).

First Round Matches

Table listing first round matches: Netherlands vs. Germany, Scotland vs. CIS, and Scotland vs. CIS, Group 2.

Semifinals

Table listing semifinal matches: Group 1 winner vs. Group 2 runner-up, and Group 2 winner vs. Group 1 runner-up.

Final

Table listing the final match: Sweden vs. Denmark.

ood yellow cards of the tournament. They, alas, will not be allowed to compete with their team in the semifinal, a harsh penalty for men forced to battle to — and sometimes beyond — the limits.

The consolation is that Sweden fought in another way and won. Tomas Brodin was the inspirator and finisher. He should have had a penalty when he was felled from behind by Barty, but was denied.

Brodin kept his legs pumping, kept his team's heart racing. He was cynically fouled by Webb, he got up and was flattened again.

This time, in the 85th minute, Brodin extracted the ultimate revenge. From the freekick, he exchanged passes with two teammates. Or rather, he demanded that the teammates do his will. First he gave the ball to Ingvesson and ran for the return pass; then he did the same with Martin Dahlin.

Finally, Brodin caught a glimpse of England's net. A glimpse was sufficient. His quick shot was lifted beyond the despairing reach of Woods, and into the goal for a richly deserved winner.

ENGLAND: Chris Woods, Stuart Pearce, Martin Kown, Des Walker, Carlton Palmer, David Platt, David Platt, Neil Webb, Tony Daley, Gary Lineker (Alan Smith 62), Andy Sinton (Paul Merson 76). Referee: José Rosa dos Santos (Portugal).

Danes Upset The French, 2-1

By Ian Thomsen International Herald Tribune MALMO, Sweden — At the whistle they scrambled onto the track that surrounds the field here, to the edge of the end zone grandstand. They celebrated there, at the foot of their new kingdom. Same as the old kingdom. At the foot of a hill, encamped with their flags and their people singing praise of Denmark, rejoiced the Danish soccer players — upon a parcel once theirs, not four centuries ago, and which they now, for these two hours, were taking back.

The Danes, who were invited to the eight-team European Championship less than three weeks ago in place of banished Yugoslavia, succeeded in beating France, 2-1, on Wednesday night. France was the first team to win all eight of its qualifying matches, but today the French are returning home while the Danes are preparing for the semifinal. Their first two goals of the tournament, the last brought home by a substitute — Lars Estrup works, in fact, for a blank in Denmark — 13 minutes before the end, gave them three points and second place in Group 1, behind Sweden.

No doubt the contortist is stunned that the Scandinavians overran the group favorites France and England, but in their case the French can blame only themselves. Enfeebled by a conservative approach in their opening draws against Sweden and England, frightened of being scored upon when instead they could have been unleashing the neighborhood's meanest striker, the sharp-toothed Jean-Pierre Papin, who had three chances in this tournament and converted two of them, they expected to turn suddenly aggressive and trample the underdog Danes.

But the Danish fans controlled the outer tier of the stadium, and their players, protecting nothing, yearning for everything, sent a mid-field penalty from the foot of Henrik Andersson into the box, where it was crossed directly from striker Flemming Povlsen to Henrik Larsen, who first-timed it inside the near left post (Larsen is an office manager in Denmark). The French, grand procrastinator, looked up as one to the Danish alarm ringing all around them.

"Hold on a minute," their expressions said, "you say the final exam is this Wednesday?" Seven minutes into the match and the French suddenly needed two goals — they couldn't risk a draw in their competition with England. Yet the Danes and Aus-

trian referee Hubert Forstinger, who booked five players in the first half, were dominant, as Denmark calmly won balls at midfield and played space without the panic of their opponents — though striker Eric Cantona did give France a chance to equalize, missing just wide from the arc late in the first half.

Shortly after Danish goalkeeper Peter Schmeichel had foiled three French attempts to begin the second half, Povlsen was a meter high with a penalty taken just left of the box in the 51st minute. While the attempt bolstered the Danish fans, it also inspired Papin nine minutes later to convert a touch from Jean-Philippe Durand.

The Danes were quiet for all of three minutes, but France maintained its new grip, with Papin just missing on the pivot with his left foot from 10 meters. He scored both of France's goals in Sweden, but his weak-kneed team required from him nothing less than perfection.

For a short time later the Danes sent possession up the right side, and their attack built as beautifully as the Oresund waves that link Sweden to Denmark, from Torben Frank toward goal on the dead run to Povlsen, who touched it past the French defender Basile Boli, one layer forming upon the next until it was redirected onto the netted shore by Estrup, who, for untold reasons, had been sent in for Brian Laudrup only 11 minutes earlier.

The stadium filled with a sound not unlike the loudest crash of ocean, and soon the Danes were throwing their jerseys into the stands, and coming away from the mass embrace bare-chested but dressed in caps and scarves, for this place, on this night, might as well have been Denmark.

FRANCE — Bruno Martini; Manuel Amoros, Basile Boli, Laurent Blanc, Bernard Casoni, Jean-Philippe Durand; Christophe Gohard; Jean-Pierre Papin, Eric Cantona, Pascal Vahuru (Luis Fernandez 46). DENMARK — Peter Schmeichel; John Svendsen, Kari Nielsen (Torben Piechlik 61), Lars Olsen, Kim Christoffersen, Henrik Andersen; Henrik Larsen, John Jensen, Brian Laudrup (Lars Estrup 67); Torben Frank, Flemming Povlsen. Referee: Hubert Forstinger (Austria).

Danes Lose Midfielder Key midfielder Kim Vilfort left the Danish squad late Tuesday to return home because of the serious illness of his 6-year-old daughter, team spokesman Lars Behrend announced.

UEFA Sets a Lag Time on Ties

Reuters MALMO, Sweden — Soccer teams that finish with identical records after the final group matches will face a sleepless night before finding out whether they are still in the European Championship.

UEFA said Wednesday that a drawing of lots for teams that finish tied in Group 1 would take place at the Gothenburg press center at 11:30 A.M. on Thursday.

If teams remain tied after the Group 2 matches Thursday, lots will be drawn in the press center at 10:30 A.M. on Friday.

If, for example, Sweden and England played to a 1-1 tie and France and Denmark played to a goalless tie on Wednesday night, England and France would tie for second place and a drawing would decide which went into the semifinals and which would go home.

A drawing would also be needed if two teams finish tied atop a group, because the Group 1 winner plays its semifinal in Stockholm against the Group 2 runner-up and the Group 2 winners plays the Group 1 runner-up in Gothenburg.

Group standings are decided first on points, then on goal difference and then on the number of goals scored. If teams are still tied, the result of the match between them would become the deciding factor.

Only after all these tiebreakers are exhausted would the decision depend on a drawing.

Sudden-Death Considered Lennart Johansson, the president of UEFA, said Wednesday that tied semifinal matches of the European Championship could soon be decided by sudden-death

playoffs rather than penalty shootouts, but not during this tournament. The Associated Press reported from Stockholm.

He said UEFA is considering a new method of deciding tied semifinal games to avoid the controversial shootouts.

Earlier reports hinted that the change might be made at this tournament, whose first semifinal is June 21.

But Johansson clarified that Wednesday. "Personally I am against the penalty kicks, but I don't believe that the rule change will be made for this tournament," he said. "It should be played according to the rules which were in effect at the beginning."

"UEFA has the right to make such changes, and the general secretary has included the matter on the agenda for a UEFA meeting, among miscellaneous issues. My guess is that certainly it will not be ratified for this tournament."

"But this rule change will certainly be made in the future. The one player that falls in a penalty shootout emerges as a loser for a long time to come," he said.

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3d Time's a Charm, Bulls Promise Fans

CHICAGO — Twice is nice, but three times is the charm, the Chicago Bulls told thousands of cheering fans celebrating the National Basketball Association champions' second straight title at a rally in a downtown park.

"The first time was neat, the second time was quite a feat, the third time will be, oh, so sweet," said center Will Perdue at the city-sponsored rally celebrating Sunday's victory over the Portland Trail Blazers.

Tens of thousands of people turned out for the celebration Tuesday, many on their lunch hour from office buildings in the downtown Loop. Fans started arriving Monday night for a shot at one of the 5,000 seats. Others climbed trees to get a better view.

"This may never happen again," said Lora Boburka, a fan who stood on a cooler. "We missed it last year, so we weren't going to miss it this year."

"I called in sick to work just to be here," said Vinnet Thomas. "This is great. The first is always the best, of course, and the third will be sweeter."

The Bulls said they would do their best to repeat the rally again next year.

"Last year, I talked about how nice it would be to be back here," said guard John Paxson. "We got our first in '91, our second in '92 and maybe our third in '93."

The rally was similar to last year's celebration, although there was no motorcycle this time. The crowd that appeared to be smaller and more manageable than in 1991, when the Bulls won the NBA championship for the first time in the franchise's 25-year history, cheered wildly for Michael Jordan, who carried the champions' O'Brien Trophy on stage.

"Without you guys' support, there's no way we would have done it twice," Jordan said.

The rally was a boon for vendors, who hawked everything from framed photographs of players to laminated newspaper pages announcing the victory.

The police said the crowd was well-behaved, unlike the looting and arson that broke out in pockets throughout the city after the game Sunday night. Then, rowdy fans crushed and overturned two unoccupied taxis, other people vandalized buildings and police cars, and more than 1,000 arrests were made.

1,800 Police Mobilized

Compiled by Our Staff From Dispatches STOCKHOLM — As thousands of English soccer fans poured into the capital for Wednesday night's crucial game, Swedish police readied reinforcements against any fresh outbreak of hooliganism.

Four Englishmen were arrested overnight but police patrols prevented English fans from assembling in central Stockholm and the city had a relatively quiet night.

Englishmen had rioted on the three previous nights in Stockholm and Malmo.

No disturbances were reported at the beer-and-games tents for fans, in a field on the edge of downtown Stockholm, where a brawl had occurred early Tuesday. Managers of the tents barred Englishmen and restricted sales to low-alcohol beer ool after the England-Sweden game.

Police said an Englishman was arrested early Wednesday for inciting a riot after he urged his friends to attack three plainclothes police.

The three policemen fled and were rescued by a larger force of uniformed officers.

Two other Englishmen were arrested for making unlawful threats, after they menaced two Swedes with a knife.

A 32-year-old Englishman was detained at Stockholm airport late Tuesday as a known trouble-maker. Karholm said he was to be deported.

Two Russians were arrested at Stockholm's central train station Wednesday morning for illegally selling soccer souvenirs.

Police in Gothenburg said they, too, were prepared for trouble at Thursday's Group 2 match between Germany and the Netherlands.

(AP, Reuters)

SCOREBOARD

Table with baseball scores for Major League Standings (American League and National League) and Today's Line Scores.

Table with Japanese Baseball scores for Central League and Pacific League.

SIDELINES

Messier Voted NHL's Most Valuable

TORONTO (UPI) — Mark Messier, who led the New York Rangers to the NHL's best regular-season record, although they didn't win the Stanley Cup, was awarded the Hart Trophy on Tuesday, for the second time in three years, as the league's most valuable player.

Messier's teammate Brian Leetch, who led defenseman in scoring with 102 points, became just the second American-born player to win the Norris Trophy as the NHL's top defenseman. Vancouver's Pavel Bure got the Calder Trophy as rookie of the year.

Other winners: Patrick Roy of Montreal, who won his fourth Vezina Trophy as the top goaltender; Guy Carbonneau of Montreal, his third Selke Trophy as best defensive forward; and Vancouver's Pat Quinn, the Adams Trophy as coach of the year.

For the Record

Olympic organizers agreed Wednesday to a last-minute scheduling change that moves the men's 300-meter final back by a day to Aug. 6 and will allow Michael Johnson, the world's fastest at 200 and 400 meters, to seek two gold medals.

Brian Jordan, a safety for the NFL Atlanta Falcons, agreed to a St. Louis Cardinals offer of a three-year guaranteed contract worth \$2.3 million and will give up football.

Jim Nance, 49, twice the leading rubber in the old American Football League while playing for the Boston Patriots, died in Quincy, Massachusetts. He had suffered a heart attack and stroke in 1983.

Charles Barkley, star of the NBA Philadelphia 76ers, was found not guilty Wednesday by a jury in Milwaukee of misdemeanor battery and disorderly conduct stemming from a December incident in which he punched a man and broke his nose.

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